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WORLDWIDE ISSUES

Shevardnadze Previews Gorbachev's European Visits

LD1910105590 Moscow TASS in English 1030 GMT 15 Oct 90

[By TASS diplomatic correspondent Leonid Timofeyev]

[Text] Moscow October 19 TASS—The Soviet-French treaty, to be signed during Soviet President Mikhail Gorbachev's visit to France from October 28 to 29, will be "very important to the shaping of European structures", Soviet Foreign Minister Eduard Shevardnadze told Soviet journalists late last night, on his way back from Vienna.

The treaty's provisions were discussed and coordinated by the two countries' foreign ministers in Vienna on October 18.

"It is a question of a new Europe, new relationships, new principles, a new alignment of forces, and the final overcoming of confrontation and military opposition," Shevardnadze said.

From the viewpoint of big-time politics, European security and stability, "the Soviet-French factor has been and remains very important" because the overall political atmosphere is being fostered by bilateral relations and obligations, he emphasised.

Commenting on the course of talks with the West on arms reduction problems in light of recent criticisms concerning the Soviet Foreign Ministry, voiced at the Soviet parliament session, Shevardnadze said that formulating a position is "agonising" work and "gives rise to a lot of arguments with military and other colleagues".

"In general, talks are a very complex process, particularly when the matter concerns such a sensitive sphere as defence, security and arms cuts", he said.

Shevardnadze refuted assertions that the Soviet Union is allegedly reducing its military potential to a greater extent than the United States or NATO as a whole.

He referred, in particular, to his talks with U.S. Secretary of Defence Richard Cheney in Moscow last Wednesday, saying that Cheney informed him that the United States, taking into consideration the Soviet Union's concern, intends to slash military spending by 180 billion dollars over the next four to five years.

The Soviet minister also recalls that the Pentagon itself cut its budget request by 18 billion dollars.

Shevardnadze also touched upon Gorbachev's forthcoming visit to Spain. The minister voiced confidence that an important document—a declaration on the principles of relationship in the political, economic, scientific and technical fields—would be signed during the visit.

The Soviet Union proceeds from the premise that "Spain is a state that has a great potential weight and substantial economic potential. We must think about a new relationship with this state", Sshevardnadze said.

About underlying principles in relations between the Soviet Foreign Ministry and the Russian Federation Foreign Ministry (a new Russian foreign minister took office recently), Shevardnadze said that the all-union Ministry acts in the interests of all Soviet republics. He referred to his Russian colleague Andrey Kozyrev as an "able, knowledgeable, principled and bold diplomat".

Shevardnadze assessed the fact that Soviet Union has been granted credits "on the easiest of terms" as one of the Soviet Foreign Ministry's achievements. This, he said, will facilitate the solution of a number of serious domestic problems.

"What hampers the minister of foreign affairs in his work most of all is domestic instability," he added. "Stability inside the country will make it possible to more actively influence international politics as well".

Primakov Cited on Baghdad Talks, European Tour

PM1910115990 London AL-SHARQ AL-AWSAT in Arabic 18 Oct 90 pp 1-4

[Igor Belayev and Muhammad Sadiq report: "Primakov Reserved and Optimistic on Eve of Washington Visit"]

[Excerpt] Moscow, London, Washington, AL-SHARQ AL-AWSAT—Yevgeniy Primakov, member of the USSR Presidential Council and President Mikhail Gorbachev's special envoy, who has started a mission which has taken him to Rome, then Paris, then Washington today, has emphasized that the objective of his moves, which started with a visit to both Baghdad and Amman, is to discuss the possibility of finding foundations for a political settlement to the Gulf crisis.

In an exclusive statement to AL-SHARQ AL-AWSAT before the start of his Western tour, Primakov said that the present crisis in the Arabian Gulf region erupted as a result of the Iraqi interference in Kuwait and the occupation of that Arab country. It is very clear that the entire international community, which is today confronting the Iraqi aggression, is doing its utmost to secure Saddam's withdrawal from Kuwait, using every means from economic sanctions to an air blockade.

He added: The world political order, whose birth we are witnessing today, totally rules out the use of force as a means of resolving disputes between states.

Asked whether it was possible to convey that obvious thinking to the minds of Saddam Husayn and the officials he met in Baghdad, Primakov just said: "It seems to me that it was."

Asked how Saddam Husayn received the Soviet warnings about the consequence of the situation and the need to avoid an outbreak of war in the Gulf, Primakov said:

My impression was that Saddam Husayn is taking account of the seriousness of the situation in the Arabian Gulf.

The Soviet envoy denied that he could have discussed with Saddam Husayn the possibility of the Soviet Union's making a move outside the framework of the UN Security Council resolutions. He said: The talks did not broach that subject.

On the possibility of arriving at a peaceful solution in the light of his visit to Baghdad and current tour, Primakov did not give a detailed answer. He just said: The opportunity is available. [passage omitted]

Gerasimov Sees Possible Security System for Asia

LD2010012990 Moscow TASS International Service in Russian 1516 GMT 19 Oct 90

[By TASS correspondent Viktor Kuznetsov]

[Text] Canberra, 19 Oct (TASS)—A system of security and cooperation could be worked out in Asia, just as it has made headway in Europe, Gennadiy Gerasimov, head of the Information Directorate of the USSR Ministry of Foreign Affairs, said at a news conference in the Australian capital today. An entirely new structure is being created on the continent of Europe. When the Helsinki process began, many believed it unrealistic. Now it is taken very seriously. The idea of an Asian security and cooperation system is in the air.

The USSR, said G. Gerasimov, is expanding its involvement in Asian affairs. One example might be the recent establishment of diplomatic relations with South Korea. The Soviet Union would like to strengthen its commercial and economic links with Australia. As for relations with Japan, regular consultations are taking place at various levels between that country and the USSR. President Gorbachev is to visit Japan in April next year. The Soviet side is prepared to discuss any problems, including those of territory, with Tokyo. Japan insists that the territorial problem is solved first, then the business problems. This fact is a great hindrance to Soviet-Japanese cooperation.

Most of the questions pertained to the domestic situation in the Soviet Union and the situation in the Near East in connection with the crisis in the Persian Gulf.

The head of the Information Directorate of the USSR Ministry of Foreign Affairs is in Australia at the invitation of the Institute for the Study of Relations with the Public. He spoke today at the all-Australian conference, hosted by the institute.

Gorbachev Greets International Family Forum

LD1910110190 Moscow TASS in English 1052 GMT 19 Oct 90

[Text] Moscow October 19 TASS—President Mikhail Gorbachev has sent greetings to participants in the international conference devoted to global family policy and family rights, which opens here today.

There is hardly a nobler task than protecting the home and family, as a source of happiness and well-being for millions of people in the world, Gorbachev notes.

The international community's life of controversy has begun to change for the better, and it depends upon all of us to make the process deep and secure, Gorbachev believes.

'International Situation' Program Detailed

LD1910184690

[Editorial Report] Moscow Domestic Service in Russian at 1030 GMT on 19 October carries a 30-minute "International Situation—Questions and Answers" program presented by Stanislav Blazhenkov, All-Union Radio foreign political commentator, with political observer Aleksandr Zholkver and All-Union Radio commentators Igor Surguchev and Viktor Levin and Vladimir Taranov, All-Union Radio correspondent in Prague.

Blazhenkov says that the "International Situation—Questions and Answers" program continues to receive many letters on the most diverse aspects of the problem of disarmament.

Political observer Aleksandr Zholkver selects a letter by Kiev listener V.P. Dantsov as being typical in many respects. While citing a whole range of specific examples where the USSR has been reducing its Armed Forces, Dantsov claims that the United States is not only not reducing its armaments but on the contrary building them up. He asks how this should be understood.

Zholkver suggests that Dantsov has not been entirely precisely informed, something for which internatinal affairs journalists are probably to blame because for too long they also depicted both the United States and other NATO countries as a kind of evil empire. Of course, in these countries there are forces interested in the production of armaments. However, lately noteworthy changes have been taking place in the world as a whole and above all in Soviet- U.S. relations with the understanding emerging that the security of states is ensured not by the number of missiles they have but by other factors, above all political and economic—something the Soviet new political thinking is based on.

This new thinking is also carving its way in the West, both in the United States and in NATO. NATO and the Warsaw Pact are gradually turning from purely military alliances into political ones. However what counts is not words but deeds. Zholkver then lists the fundamental changes which have taken place in the world in this respect even though the inertia of an arms race of many years standing is still making itself felt.

Blazhenkov continues with the topic of the Persian Gulf crisis and says that it has by no means been exhausted. Five named listeners have written in covering various

aspects of this crisis. They discuss the USSR's role in arming Iraq and raise questions on the recall of Soviet military and other specialists from Iraq and of putting a stop to the arms trade.

Igor Surguchev replies to these questions. He asks how the practice of Soviet military supplies to various countries fits in with Moscow's foreign policy course toward disarmament and international detente. The answer is that it is incompatible and that we should look for a way out of this contradiction, something which is not easy as the arms trade is a profitable albeit unseemly business which many states engage in. It is clear too that the sale of arms is advantageous not only in financial terms but also ensures political influence.

Nevertheless it is time for the USSR and other states to reduce their role in the arms trade and to be especially scrupulous with regard to countries and regimes that want to obtain them. After using Iraq as an example of how necessary this is, Surguchev quotes a question from a letter:

Why do we not recall our military advisers and other specialists from Iraq?

Surguchev responds: "I think that we must recall them even though the USSR's official position is that we must fulfill the contracts concluded with Iraq. This argument does not seem convincing to me. It contradicts our condemnation of Baghdad. For the sake of fairness it must be said that both Soviet military advisers and other specialists are gradually leaving Iraq." "In the present circumstances, in my view, the 1972 Treaty of Friendship and Cooperation with Iraq should be revised." Baghdad's justification of Kuwait's capture on the basis that Kuwait used to be part of Iraqi territory is questionable and, most importantly, it is totally unacceptable for the international community as it would condone the recarving of present borders by means of armed force.

Blazhenkov says that war veteran S.M. Klimov from the town of Kommunarsk thinks that the Soviet Government should have impeded the unification of Germany. The government was either unable to do this or did not think it was necessary. In neither case did it earn any honor. The unification of Germany is our misfortune. Germany has been our historical enemy.

Blazhenkov quotes Klimov: "for you journalists there remains nothing else to do but reassure people, or rather tell lies." "Viktor Levin's toadying propaganda exasparates me, as he claims that the unification of Germany is a good thing."

Levin points out that it would be absolutely incorrect to regard Germany as "our" permanent historical enemy. There are no grounds for such a claim either in history or in the present time. He asks the question of whether the great German nation can live in a divided state and denies that it can. Any attempt to impede the Germans' legitimate and absolutely just efforts to live in one state would be fraught with the risk of very serious complications for Europe as a whole and in particular for the Soviet Union. This policy would run counter to Soviet moral aims and political thinking.

Levin points out that a united Germany will have no more than 300,000 troops and has given up weapons of mass destruction, so there can be no question of a military threat. The fact that German armed forces have been integrated into NATO fetters their potential to act independently and does not at all put NATO at the service of the German military machine if such desires were suddenly to appear, which is not very likely. Also, Germany is integrated in the EEC. Processes taking place in West Europe are totally changing the political nature of the states making up the EEC too. The Soviet Government has acted wisely, correctly, and in the way that it was necessary to act. The changes that have taken place on German land and the ones which are taking place in the countries of East Europe were bound to occur and resisting them would have meant the creation of an explosive situation.

Blazhenov raises the next issue: What is the United Nation's role in settling the Cambodian problem? Last week, he notes, the United Nations General Assembly plenary session adopted a resolution by consensus on this. For the first time in 11 years the United Nations General Assembly adopted a resolution which is nonconfrontational.

Blazhenkov goes on to an Altay Kray listener's question. He asks about the attitude to the Communist Party of Czechoslovakia's (CPCZ) property. Vladimir Taranov reports that the Czechoslovak Government has prepared a draft law on the expropriation of CPCZ property and other public organizations which were acquired through state subsidies. He explains what will be done with the property. Blazhenkov asks Taranov a question on this. Taranov states: "Such a state regulation of political parties' property looks somewhat undemocratic. The CSFR Government is a trailblazer in this sphere. Therefore we should wait and see how this law will be implemented in practice."

Blazhenkov continues: A Bashkirian listener wants to know about the role of the private sector in Vietnam's economy. Blazhenkov notes that it was two years ago last week that a decree on the development of the private sector was published in Vietnam and outlines what has been achieved since then in the private sector, primarily with the payment of taxes.

Greenpeace Account of Novaya Zemlya Landing Cited

PM2210093790 Moscow KOMSOMOLSKAYA PRAVDA in Russian 19 Oct 90 p 1

["Extract" from a "report...submitted to KOMSOMOLSKAYA PRAVDA" by participants in the Greenpeace expedition to Novaya Zemlya: "'Greens' Pretend To Be Stones"; first three paragraphs are editorial introduction]

[Text] How the Greenpeace expedition landed on Novaya Zemlya:

The landing party which disembarked from the Greenpeace ship on the island of Novaya Zemlya was in fact the first expedition of non-army scientists to come so close to a place where nuclear tests had previously been carried out (the last underground test was carried out 4 December 1988, according to Greenpeace information). Their observations confirmed their suspicions: There was pollution and radioactive leakage from the shaft and from cracks and fissures—over a year after tests were suspended.

We present an extract from the report which participants in the landing, G.N. Gormeyn [name as transliterated], D. Haye, T. Hood, and V. Yekern [name as transliterated] submitted to KOMSOMOLSKAYA PRAVDA.

[Extract begins] From the coast we walked about one kilometer up a slope bearing northeast and we saw the old test range (it was not shown accurately on the map). At that moment we heard the noise of an engine and hid in a small crevice. The people in the car did not notice our tracks—we had tried to tread as lightly as possible....

...The cable stretching from Severnaya crossed a crevasse and was lost from view. One of its strands ran out along the empty buildings and another along the test range structures. And here our monitors started to pick up the signal: The counter showed 25 becquerels per square centimeter in and to the left of the abandoned area (note: 3 becquerels is already considered a high level). Nevertheless we crossed the hollow, heading south: 11 becquerels per square cm.

We also examined the shaft and the equipment. The level of pollution was high here too. On the slope we discovered three "hot spots" of up to 50 becquerels per square cm. They were located 300-400 meters from the shaft.

At 1430 the helicopter reappeared. We tried to hide among the rocks, but to no avail: The helicopter set down next to us.

The following things were taken away from us: instruments, cameras, film, respirators, a knife, a tape recorder, and so on. They put us in four cabins.

Everything was returned to us apart from the samples, film, and video recordings.

This is what we are now saying:

1) Why did the authorities take away our photographs and samples?
2) Our visit to a place with such a high level of pollution leads to the conclusion that there are problems with radioactivity on Novaya Zemlya.
3) The authorities must adopt a program to clean up the test range.
4) The authorities must not exacerbate things by continuing tests.

Incidentally: From a political statement by Major General A. Koltunov, chief of the political department of the Red Banner Northern Command and Russian Soviet Federated Socialist Republic people's deputy: "I demand a concrete decision—instead of wordy assurances—at republic and Union levels on a ban on expanding nuclear tests and the suspension of all work concerned with setting up new projects on the test range on Novaya Zemlya."

Soviet Peace Committee Apologizes to Greenpeace

LD2010031790 Moscow TASS in English 2052 GMT 19 Oct 90

[Text] Moscow October 19 TASS—The Soviet Peace Committee has expressed heartfelt regret over the incident with the Greenpeace vessel near Novaya Zemlya.

"We fully share your concern over the tragic ecological situation in the north of our country, which poses a moral threat not only to Soviet people, but also to all those living in that region and in the world in general," says a telegram sent by the committee to the international Greenpeace organisation.

"The implementation of plans of the Soviet military to revive a nuclear test site in Novaya Zemlya will lead to a dramatic deterioration of the ecological situation and, undoubtedly, to a new stage of the world arms race," the telegram pointed out. The Soviet Peace Committee was one of the organisations which successfully campaigned for a unilateral Soviet moratorium on nuclear tests. Unfortunately, the tests were resumed, and the refusal of the United States and other nuclear powers to follow this example was one of the main reasons for it.

Now we are again working for a complete termination of all nuclear explosions, even on a unilateral basis. "At the same time, we realise that this idea will be suported by the broad public circles only if similar measures are taken by other nuclear powers," the Soviet Peace Committee pointed out.

United States & Canada

Primakov Continues Visit to Washington

Talks Focus on Gulf Crisis

LD1910181290 Moscow Domestic Service in Russian 1600 GMT 19 Oct 90

[Text] U.S. President George Bush will today receive Yevgeniy Primakov, the special representative of the USSR president and member of the Presidential Council, in the White House. Our correspondent Sergey Leskoy reports from the United States.

[Leskoy] At the center of talks is the situation in the Persian Gulf. It is expected that a thorough exchange of opinions will take place between Yevgeniy Primakov and George Bush on the subject of possible ways of settling the Iraq-Kuwait conflict. The U.S. press reports that the Soviet representative will possibly hand over to the head of the White House a letter from Mikhail Sergeyevich Gorbachev, the USSR president. The letter, according to U.S. sources, contains support for the demand for the immediate and full withdrawal of Iraqi forces from Kuwait. At the same time the Soviet proposals purportedly envisage the withdrawal of Iraq from this country in exchange for the holding of free elections in Kuwait, and the settlement of the financial disputes between the two countries with the payment of monetary compensation to Baghdad.

However, Yevgeniy Primakov rejected the possibility of compensating Iraq for its withdrawal from Kuwaiti territory. He said this after his meeting with U.S. Secretary of State James Baker on Thursday. Talking to correspondents, he stressed the necessity for seeking peaceful paths for settling the conflict.

Also on Thursday he met Brent Scowcroft, assistant to the U.S. President on national security affairs. As far as the paths for resolving the Iraqi-Kuwaiti conflict are concerned, the White House, as before, is aiming at political means. At the same time the U.S. representatives in the United Nations Organization have begun informal consultations about a resolution which would envisage the application of force in the Persian Gulf.

Meets With Bush 19 Oct

LD1910182990 Moscow TASS in English 1811 GMT 19 Oct 90

[By TASS correspondent Andrey Fedyashin]

[Text] Washington October 19 TASS—President George Bush today received Soviet President Mikhail Gorbachev's special envoy Yevgeniy Primakov in the White House.

During a ninety minute conversation in the Oval Office, the President and the Soviet envoy exchanged views on ways to settle the Gulf crisis.

Primakov told President Bush about the Soviet Union's stand with respect to political ways out of the crisis. He also briefed the president on the results of his meetings in Amman, Baghdad, Rome and Paris.

Taking part in the White House meeting were U.S. Secretary of State James A. Baker, President's Assistant for National Security Brent Scowcroft, White House Chief of Staff John Sununu, first Deputy Assistant for National Security Robert Gates and Soviet Ambassador to the United States Aleksandr Bessmertnykh.

Comments on Talks With Bush

LD1910203590 Moscow TASS in English 1901 GMT 19 Oct 90

[By TASS correspondents Vladimir Matyash and Andrey Fedyashin]

[Text] Washington October 19 TASS—After meeting U.S. President Bush in the White House, Soviet presidential envoy Yevgeniy Primakov answered journalists' questions.

Asked by TASS if the meeting with the President had brought a settlement closer, Primakov replied:

"The Gulf crisis is very complex. The situation there is also incredibly complex. Therefore I would not hazard a guess that after any conversations, even those with the U.S. President, one can bring closer the solution of the crisis.

"But I would like to stress that the U.S. President indeed thinks about a new world order and believes that actions incompatible with the development of civilised society should not be encouraged, that all goals should be met through the fulfillment of U.N. resolutions. Our positions coincide on this."

Replying to other questions, Primakov said that "The Soviet Union tries to do everything possible to fulfil tasks posed in U.N. Security Council resolutions, through peaceful means".

"We have no military advisers in Iraq," he said. "We have approximately 80 specialists who are staying there in connection with the supplies of equipment, as in the past. Now all supplies have been stopped."

Primakov declared that "one should not rule out a peaceful settlement until all available possibilities have been exhausted."

"I cannot say that after the meeting with the President I became less modestly optimistic than before," Primakov said.

Talks With Baker, Scowcroft Eyed

PM2110215590 Moscow IZVESTIYA in Russian 20 Oct 90 Union Edition p 4

[Article by IZVESTIYA correspondent A. Blinov: "Quest for a Way Out"]

[Text] Washington—The situation in the Persian Gulf was the topic of conversations in Washington between the American leadership and Ye.M. Primakov, USSR Presidential Council member.

He has come to the U.S. capital on a special mission from the USSR president to exchange opinions on ways to settle the crisis that has arisen as a result of Iraq's aggression against neighboring Kuwait and its subsequent annexation of this state.

The Soviet spokesman had meetings Thursday with U.S. Secretary of State James Baker and the President's national security adviser, Brent Scowcroft.

There have not as yet been any news conferences on the substance of the ensuing exchange of opinions. "We must, in my opinion, exploit every opportunity to avoid military clashes, but not, of course, reward Iraq for its actions," Ye.M. Primakov said.

The day before the Soviet president's envoy arrived in the United States, Secretary of State J. Baker set out the U.S. Administration's position on the question of the Persian Gulf crisis during a Washington news conference and at congressional hearings. He advocated, in particular, "intensifying the political, economic, and military isolation" of Iraq to secure the complete and unconditional withdrawal of the Iraqi troops from Kuwait.

Members of the Senate Foreign Relations Committees drew his attention to the need to avoid a "military operations option" on U.S. initiative. "I initiated these hearings, based on the profound concern of many Americans—which I myself share—as regards the possibility of finding ourselves in a state of war in the Persian Gulf," the committee's chairman, Senator Claiborne Pell, said. "We must realize that war with Iraq may cost thousands of American lives and billions of dollars."

Senator Pell showed Baker the text of a speech by USSR Foreign Minister E.A. Shevardnadze published in the newspapers. He quoted the report: The Soviet Government will not decide to bring its troops to bear without consultations with the Supreme Soviet. "Are you ready to display the same desire for cooperation as Shevardnadze and inform Congress about military actions before they begin?" Pell asked. Senator Richard Lugar and other legislators drew Baker's attention to the fact that the administration should not regard the coming parliamentary vacation as an excuse to take decisions without consulting Congress.

Baker explained that the administration intends to maintain contacts with congressional leaders during the vacation. At the same time, the secretary of state said that the President is not constitutionally bound to secure Congress' formal agreement to such actions.

Baker Gives Positive Assessment

PM2110220790 Moscow IZVESTIYA in Russian 21 Oct 90 Union Edition p 4

[Article by IZVESTIYA correspondent A. Blinov: "USSR-United States: Path of Cooperation"]

[Text] Washington—"A thorough discussion... and exchange of opinions which fits in with the general framework of our new long-term relations with the United States"—that was how USSR Presidential Council Member Ye.M. Primakov assessed his conversation with U.S. President Bush Friday.

He is in the U.S. capital on a special mission from USSR President M.S. Gorbachev, and the day before his visit to the White House he had meetings with members of the leadership of the U.S. Administration—U.S. Secretary of State Baker and the President's national security adviser, B. Scowcroft. The conversation with the U.S. President, in which his immediate advisers took part, lasted almost 90 minutes.

"We exchanged opinions on the complex, dangerous situation that has taken shape in the Persian Gulf zone," Primakov said. According to the Soviet representative, the common denominator in the two sides' positions is their "desire for the consequences of the Iraqi aggression to be eliminated and for this to be done at the smallest cost." "But there are also different views that undoubtedly exist," the Soviet representative said.

The U.S. side also voiced a positive opinion of the results of the dialogue. White House Press Secretary Martin Fitzwater described the conversation with the U.S. President as "good and frank." According to him, Bush particularly pointed out that the Soviet Union and the United States have cooperated closely since the very outset of the Gulf crisis and have backed the UN resolutions.

The President's spokesman described the U.S. approach as set out during the meeting. The President stressed, Fitzwater said, that the international efforts to settle the crisis center on the use of sanctions and diplomacy to secure the peaceful withdrawal of the Iraqi troops from Kuwait. But at the same time "the international community is ready to consider alternative options."

According to Fitzwater, Bush opposed "any partial solutions" or "compromise on principles." "The President said that neither the United States nor the international community is interested in a partial solution of the problem of Iraq's scandalous aggression against Kuwait. Iraq must unconditionally withdraw its troops and the legitimate Kuwaiti Government must be returned to power. Likewise there can be no linkage of the Persian Gulf crisis with other problems," Fitzwater said.

On the same day U.S. Secretary of State Baker voiced a positive opinion of Soviet-U.S. cooperation in the quest for ways to settle the crisis situation in the Persian Gulf. The head of U.S. diplomacy was addressing a sitting of the U.S. Committee on USSR-U.S. Relations on being awarded the George Kennan Prize, which he and USSR Foreign Minister Shevardnadze were awarded for their outstanding contribution to the restructuring of international relations.

According to the U.S. secretary of state, Soviet-U.S. relations are now characterized by "hitherto unprecedented opportunities for cooperation."

Reports Follow Cheney's Moscow Visit

Meeting With Parliamentarians Eyed

PM1910092490 Moscow KRASNAYA ZVEZDA in Russian 19 Oct 90 First Edition p 3

[Report by Colonel V. Markushin: "R. Cheney's Stay in Moscow"]

[Text] A meeting took place in the Kremlin 17 October between U.S. Defense Secretary R. Cheney and members of the USSR Supreme Soviet committees for international affairs and defense and state security questions. The Pentagon leader preferred not to deliver some report specially prepared for the occasion, but to engage in a real dialogue with Soviet parliamentarians. And the dialogue proved interesting, it must be admitted. At any event, I felt that it did much to help "clear the air" on a number of very important problems.

One such problem is, of course, arms control. Naturally, our deputies were interested in the position of the White House administration representative on this point above all. What does R. Cheney think about the prospects for disarmament? How, in his view, can the process of qualitative modernization of arms be halted?

Answering basically these questions, the leader of the American military department stressed, in particular, that in principle he advocates reducing troops and arms, since favorable preconditions for this have been created: the general improvement in Soviet-American relations, the withdrawal of Soviet troops from Central and Eastern Europe, the resolution of the question of German unification. From Cheney's viewpoint, the general process of demilitarization will depend to a considerable extent on how successful the changes in the Soviet Union prove to be, and on how real the fall in the level of military production in the USSR turns out to be in the immediate future. We have recently become convinced of your country's good intentions, the secretary said, but it is not only a question of intentions, but also of potential. The Soviet Union's military potential worries us, it is growing, despite the acute economic problems within the country.

Arms modernization is, as Cheney put it, a special question. The American side, he said, acts in accordance with the efforts made by the USSR in this direction. In particular, he referred to the work which, according to his information, is in progress in the Soviet Union to create new ballistic missiles. Modernization also affects nuclear ammunition and tests of such ammunition. The American defense secretary expressed the conviction that tests as such represent no danger. In his opinion it is important to make nuclear weapons safe during storage and experiments, and to prevent radioactive discharges into the atmosphere, because that leads to tragedies like Chernobyl.

Events in the Persian Gulf zone played a considerable part in the discussion. The Pentagon chief stated that American troops will be there as long as the situation demands it. He noted the important role played by the Soviet Union in forming world public opinion on Iraq's aggression, and also expressed hopes of more effective UN intervention in this and similar military conflicts.

The U.S. defense secretary inquired about the course of military reform in the Soviet Union and its prospects, in particular views on the transition to the principle of manning on a voluntary basis. In this connection Cheney spoke of the high qualities of American soldiers, which, he said, are currently on display in the Arabian desert.

Cheney Gives Impressions

LD1910220290 Moscow TASS in English 2051 GMT 19 Oct 90

[By TASS military writer Vladimir Bogachev]

[Text] Moscow October 19 TASS—Meetings of heads of the Soviet Union and the United States military agencies are no longer viewed as a sensation. Over two years ago, the then U.S. Defence Secretary Frank Carlucci visited Moscow. Soviet Defence Minister Dmitriy Yasov was the Pentagon's guest in 1989. Chiefs of the General Staff of the Soviet Armed Forces visited the United States twice. The chairman of the Joint Chiefs of Staff made a reply visit to the Soviet Union. And still meetings of heads of the two countries' defences continue to attract attention of journalists and political scientists.

It will not be an overstatement that a joint news conference of Richard Cheney and Dmitriy Yazov was indicative of the present state of Soviet-American relations in the military area. The U.S. defence secretary concluded his visit to Moscow today. Journalists who attended the news conference paid attention not only to the content of the statements of the defence ministers of the two superpowers but also to the way they spoke.

The ministers of the two countries expressed satisfaction with the results of the talks, noted positive changes in the world which led to the decrease of military confrontation and emphasised their adherence to the strengthening of peace and stability. They spoke in a calm and benevolent tone and their statements were punctuated with humour.

At the same time, Cheney, at a meeting with Soviet legislators expressed concern over Soviet missile tests,

while noting that the United States is not going to give up its competitive strategy which envisages the switching of the arms race to the realm of high technologies with the creation of star wars systems, Stealth bombers, etc.

Yazov said at the news conference it is not on South Korea that U.S. strategic missiles are targeted, and that Soviet missiles are not trained on Venezuela. In order to eliminate mutual distrust it is necessary to liquidate nuclear weapons, as the Soviet Union suggests.

Still it should be noted that within the year since the previous meeting of the defence ministers of the two countries, the military of both countries exerted fresh efforts towards greater mutual understanding.

Asked about his impressions from the Soviet Union, Cheney said that he had started out as a sceptic, but the events of the past 18 months convinced him that a new era of Soviet-American relations sets in.

Yazov Views Cheney Visit

PM2010234990 Moscow SOVETSKAYA ROSSIYA in Russian 20 Oct 90 Second Edition p 1

[Interview with USSR Defense Minister Marshal of the Soviet Union D. Yazov for SOVETSKAYA ROSSIYA by N. Belan; place and date not given: "This Process Is Irreversible"—first paragraph is introduction]

[Text] An interview with U.S. Defense Secretary R. Cheney was published in the last issue of our newspaper. Today, at the close of Mr. Cheney's visit to the USSR, USSR Defense Minister Marshal of the Soviet Union D. Yazov continues the conversation begun then specially for SOVETSKAYA ROSSIYA.

[Belan] Dmitriy Timofeyevich, what is your opinion of the results of the visit and your talks with Mr. Cheney?

[Yazov] They proved extremely fruitful, a good new base has been laid for constructive work in the future. As you know, Mr. Cheney met USSR President M.S. Gorbachev, Foreign Minister E.A. Shevardnadze, and members of the USSR Supreme Soviet Defense and Security Committee. We held several meetings with him during which we discussed problems linked with our ministries' mutual activity and confirmed those ideas set out in the protocol signed by the chiefs of the General Staffs of the U.S. and USSR Armed Forces during Army General M. Moiseyev's recent trip to America. We also examined a number of issues connected with military activity and discussed the state of affairs in the Near East. Mr. Cheney visited a Moscow District Air Defense command post, an Airborne Assault Forces training center, and an aviation plant.

I think that any prejudices our guest may have had before his visit have now been dispelled. First, we told him that we agree to a 50-percent cut in strategic offensive arms; second, we did not conceal anything special, "supersecret," when showing off our troops, and we were sincere and interested in further establishing and strengthening mutual trust. I am sure that Mr. Cheney realized and appreciated this. This was not our first meeting, and I want to stress that Mr. Cheney is a prominent statesman and politician.

Both before and during his visit many of the mass media predicted that Mr. Cheney would certainly press Yazov to reveal some secrets of the weapons that we have sold to Iraq—how much of this weaponry is there, what its specifications and performance characteristics are, and so on. I must say that Mr. Cheney did not ask these questions. The press has also talked a great deal about existing problems—for instance, with regard to the conclusion of the treaties on strategic offensive and conventional arms they said, moreover, that we would meet with Cheney and resolve them in a flash. I can disabuse you on this: The negotiating process is not simple, it cannot be depicted in such a simplified manner.

[Belan] Of late we have witnessed a unique process—the building of mutual trust between the USSR and U.S. Armed Forces. I have already asked Mr. Cheney the question and I would now like to know your opinion: On what does this process depend and what may hinder it?

[Yazov] Let us recall how it started and how it has intensified. When we announced our defensive doctrine and then a unilateral cut of 500,000 men in our Armed Forces, our tanks, and combat aircraft, this generated definite trust in us on the part of the United States. This trust was deepened when the negotiating process went further and the Treaty on Intermediate-Range and Shorter-Range Missiles was concluded. Our words were not at variance with our actions and, moreover, the accords have been fulfilled to the letter. Life has shown that both sides have proved eminently honest partners. This has been followed by exchanges of military delegations. I believe that if this continues we will very soon be able to reduce confrontation to a level where war becomes altogether impossible.

[Belan] But there are also other countries in addition to the United States and the USSR....

[Yazov] True. However, the change in USSR-U.S. relations is having a substantial impact on the international climate. For instance, Britain and France have already announced the withdrawal of some of their troops from Germany. The FRG has also decided to cut back the Bundeswehr. Although no one demanded that they do this, they themselves have joined in the process of detente. Talks are now under way with China, and China is ready to agree with us to a reciprocal reduction of some number of troops. The process of establishing contacts with Japan is under way and a definite accord may be secured with it, too.

So, mutual trust depends on a good attitude toward one another and practical steps from our countries along the path of disarmament, along with perseverance and sincerity. Mutual suspicion, misunderstanding of the aims

and tasks of one another's defense, and refusal to agree to compromise and fresh contacts may hamper this process.

[Belan] What are your predictions with regard to the development of events in the Persian Gulf?

[Yazov] It is hard to predict the situation there at the moment. I personally am in favor of resolving the problem by political means, and we do not disagree with Mr. Cheney on this. We do not want war or bloodshed there. I would like to believe that reason and common sense will gain the upper hand and that the UN resolution will be fulfilled.

[Belan] On taking your leave of Mr. Cheney you must certainly have agreed on fresh contacts and on deepening ties?

[Yazov] Yes, the U.S. defense secretary invited me to visit America again. In addition the limits of our mutual activity are expanding, including exchanges of delegations at the most diverse levels. I also hope that soldiers will meet soon, too. All this serves to strengthen our trust and mutual understanding. This process between our peoples and states is irreversible.

Baker Receives George F. Kennan Award

LD2010092190 Moscow TASS in English 0845 GMT 20 Oct 90

[By TASS correspondent Aleksandr Korolev]

[Text] Washington October 20 TASS—Secretary of State James Baker on Friday delivered a major speech to the American Committee on U.S.-Soviet Relations on the occasion of his being awarded the George F. Kennan award by the committee.

The award for a considerable contribution to the improvement of relations between the Soviet Union and the United States as shared with Soviet Foreign Minister Eduard Shevardnadze.

"The epoch of the cold war is over," Baker said. "Anybody who might have had any lingering doubts about that, I think, have had those doubts dispelled by the events of the past month."

Baker referred, specifically, to the unification of Germany and the "partnership against Iraqi aggression that President Bush and President Gorbachev forged at the Helsinki summit.

"But the new epoch is just beginning. An important determinant of its future will be the change in the Soviet Union itself, a revolution that is transforming both Soviet foreign policy and Soviet society," Baker said.

"While the people of the United States can take justifiable pride that their nation was a trustee of freedom throughout the cold war, I am also pleased to recognize that President Gorbachev's revolution of new thinking and perestroyka is, in very, very large part, responsible for the end of the cold war, and that is why president Gorbachev, in my view, is so deserving of the Nobel Peace Prize."

The secretary of state said that the U.S.-Soviet search for "points of mutual advantage" has been productive.

"We now need to build a new international order, what the President has called a new partnership of nations," he said. "We have never, ever enjoyed greater possibilities for cooperation between the United States and the Soviet Union."

"Cooperation could become the norm, and disagreements could be limited to specific disputes."

Baker called for a "defence conversion dialogue" with the Soviet Union, which he said "can be a pathway to greater openness as well as to building down the possibilities of future war even further."

He pointed to the need to "build pathways and mechanisms of cooperation in three areas: eliminating the vestiges of the cold war, addressing the new threats to the post-cold-war order, and dealing with the transnational dangers to peoples all over the globe".

Baker said that "developing together a pathway for countering the danger of nuclear, chemical, biological and missile proliferation will be essential to the establishment of any successful new international order".

Gorbachev Meets Ted Turner, Jane Fonda

LD1910141590 Moscow TASS in English 1346 GMT 19 Oct 90

[Text] Moscow October 19 TASS—President Mikhail Gorbachev today met U.S. media mogul Ted Turner and top actress Jane Fonda in the Kremlin today.

Their talk focused on the role of public organisations and their members in the effort to consolidate peace and promote friendly relations among nations.

Turner and Fonda congratulated Gorbachev on being awarded the Nobel Peace Prize.

Describing the recent Goodwill Games in Seattle, Turner helped organise, as an important event, Gorbachev supported the idea of holding international functions to promote cooperation between states and peoples.

The American guests showed great interest in the events in the Soviet Union. The Americans were pleased by Gorbachev's analysis of perestroyka's current crucial phase. They noted the Soviet president's optimism and goodwill, his readiness for broad dialogue and cooperation with the U.S. people and Administration.

During the talk, which was attended by People's Deputies Chinghiz Aytmatov and Georgiy Arbatov, the sides expressed the hope that Soviet-American relations would expand in culture, information, sport, protection of the environment and other areas.

China

Chinese Congressional Leader To Visit UK

OW2110181390 Moscow International Service in Mandarin 1400 GMT 21 Oct 90

[Text] According to a spokesman for the British Government, Wan Li, chairman of the Standing Committee of China's National People's Congress, will visit London during the latter half of November, and he will have talks with British Prime Minister Thatcher, focusing primarily on the future of Hong Kong.

The spokesman said Chairman Wan Li's visit is connected to the Sino-British Working Group that will resume exercising Chinese sovereignty over Hong Kong in 1997.

The visit will be the first paid by a senior Chinese leader to a Western country after the West stopped high-level contacts with China and imposed economic sanctions since June 1989.

PRC Remains Neutral on Korean UN Seat

OW2210062190 Moscow International Service in Mandarin 0100 GMT 22 Oct 90

[Text] An AFP dispatch from Seoul quotes a South Korean Government source as saying that China has made it clear to Democratic Korea and South Korea that it will support them in gaining a seat in the United Nations.

As is known to all, Pyongyang and Seoul take different stands on this issue. Democratic Korea advocates one Korean seat in the United Nations, while South Korea stands for separate UN seats.

What is attracting people's attention is that China is taking a neutral stand on this issue. This is being publicized following agreement between China and South Korea on establishing trade offices with consular authorization in Beijing and Seoul.

PRC, ROK Sign Agreement on Trade Offices

SK2210105090 Moscow International Service in Korean 1100 GMT 20 Oct 90

[From the "Asian News" segment of the "Focus on Asia" program]

[Text] An agreement was signed today in Beijing between the ROK and China to open nongovernmental trade offices soon in the capital of China and Seoul.

The agreement was signed by Zheng Hongye, head of the China Chamber of International Commerce, and Yi Sun-ki, president of the Korean Trade Promotion Corporation.

Both sides hoped that the exchange of trade offices will contribute to the development in the trade and economic fields and in technical cooperation.

China and the ROK do not have diplomatic relations but are actively carrying out trade exchanges. The volume of trade by both sides last year amounted to $3.5 billion. Investment by the ROK toward the Chinese Government is also increasing.

Kazakhstan Rail Link With PRC Planned

LD1910185190 Moscow TASS in English 1443 GMT 19 Oct 90

[By TASS correspondent Vladimir Ganzha]

[Text] Alma-Ata October 19 TASS—The new 200-kilometre Saryozek-Panfilov-Khorgos railway line will help promote border trade between Soviet Kazakhstan and the Sikiang-Uighur autonomous district of China.

Staff members of the "Alma Atagiprotrans" research institute have completed surveys of the future line's track, running along the right-hand bank of the Ili river, which takes its source in the nrothwestern part of China. This allows them to avoid constructing expensive railway tunnels.

Today all cargo for Chinese firms from Kazakhstan and vice versa have to be brought by motor transport along the Saryozek-Panfilov-Khorgos motor road, which crosses the Altyn-Emel Pass in the Junghar Alatau Mountains. Traffic is often paralysed there in the winter by violent blizzards.

Agro-industrial enterprises and other firms in the Taldy-Kurghan border area and in Alma-Ata region are extremely interested in the new railway to the Chinese border. Today the nearest railway station is 200 kilometres away—at Saryozek. This means that absolutely everything—from nails to farm machinery, has to be brought there by trucks. This is not only expensive, but tends to slow down the region's economic and social development.

Northeast Asia

ROK Premier Continues DPRK Visit

Visit Termed 'Historic'

PM1910114790 Moscow IZVESTIYA in Russian 17 Oct 90 Union Edition p 5

[Report by V. Lukashin: "Seeking Acceptable Terms"]

[Text] Pyongyang—For the first time in the long years of North-South confrontation, Kang Yong-hun, prime minister of the Republic of Korea, has arrived in the DPRK capital Pyongyang. By any standards, it is an historic event.

There is nothing surprising in the fact that following the collapse of the Berlin Wall politicians' and diplomats' gazes fell on Korea. The massive iron-concrete antitank installation still dominates the scene here south of the 38th parallel.

There is no denying that Korean issues and the question of the country's unification are the Koreans' business. Nonetheless, the elimination of military-political confrontation in the region is a task for all mankind.

As is known, an accord was reached at the end of July to the effect that the prime ministers of North and South would meet from 4-7 September in Seoul and the talks would then continue from 16 through 19 October in Pyongyang. On 4 September a DPRK delegation, headed by Yon Hyong-muk, member of the Korean Workers Party Central Committee and premier of the DPRK Administration Council, crossed the demarcation line in the vicinity of Panmunjom and entered the territory of South Korea. For three days Yon Hyong-muk had talks with South Korean Prime Minister Kang Yong-hun behind closed doors. The DPRK Government head was also received by South Korean President No Tae-u.

Much has already been said about the results of the first round of the talks, and assessments have varied. For example, it was even said that the Seoul meeting did not produce any concrete results. But can major developments be expected after long years of cold war? Even now, after Seoul, North and South in many respects take up opposite positions. But it is reassuring and cheering that there is a quest for points of contact and the premiers are learning to listen to and understand one another.

Seoul radio reported that there were talks on procedural matters on 12 October on the south side of Panmunjom. The sides agreed that the following issues would be discussed in Pyongyang: free exchange of visits by members of divided families; arrangement of direct trade; the possibility of summit meetings; the question of membership of the United Nations and the release from jail of South Koreans who made unauthorized visits to the DPRK....

On Tuesday, 16 October, a South Korean delegation, headed by Prime Minister Kang Yong-hun and comprising 90 people, crossed into DPRK territory. They were welcomed by officials in Panmunjom. The southerners were warmly greeted by the inhabitants of Kaesong, ancient capital of Korea. The South Korean envoys left there for Pyongyang on a special train.

On 17 October, Kang Yong-hun, prime minister of the Republic of Korea, and Yon Hyong-muk, premier of the DPRK Administration Council, will sit down at the negotiating table. It is too early to say, but I think the meeting in Pyongyang will require the utmost patience, tact, and courage on the part of the partners in dialogue.

Talks With DPRK Counterpart Viewed

PM1910150490 Moscow IZVESTIYA in Russian 19 Oct 90 Union Edition p 5

[Article by correspondent V. Lukashin: "Pyongyang-Seoul: Second Round of Talks Over. Dialogue in Need of Interpretation"]

[Text] Pyongyang—The dialogue in Pyongyang between Kang Yong-hun, prime minister of the ROK, and Yon Hyong-muk, premier of the DPRK Administration Council, lasted three days. Each of them used the right to expound his own country's position on problems of eliminating the North-South military-political confrontation and setting up multifaceted cooperation. That is how the agenda for the second round of talks was formulated.

I believe that it is too early to sum up the final results of this meeting. The dialogue is in need of interpretation. It would be naive to think that it will be easy to achieve unanimity between Pyongyang and Seoul. The obstacles which have accumulated over decades of confrontation are too great.

On 18 October the talks in the People's Palace of Culture proceeded behind closed doors. Officials declared at a news conference that both sides are pleased with the results of the second round. Unfortunately, the North and South delegations have not yet attained real accords, but each side has fully elucidated its own position.

The statement by Yon Hyong-muk, premier of the DPRK Administration Council, was very significant. He said the following: "In resolving the question of unification we must proceed from the demands and interests of our nation and our country; we must find methods in keeping with our actual efforts. Generally speaking, there are no ready-made formulas for resolving the question of uniting a divided nation. As regards the experience of other countries, you can say that there is other people's experience, but it cannot correspond to conditions in our country.... We must pave the true path by our own efforts and mind. If North and South strive to resolve the question of the country's unification independently and creatively, we will be able to find rational paths of unification in keeping with the actual conditions in our country."

Many problems were examined during the talks, including questions of implementing multifaceted economic and cultural cooperation and reuniting divided families. As was to be expected, the question of UN membership was the most acute. It is known that the DPRK insists only on simultaneous admission to a single UN seat. South Korea thinks differently.

The head of the DPRK delegation suggested to his South Korean colleague that they sign a "North-South Declaration of Nonaggression." The ROK prime minister refused to do so, citing the fact that this question had not been agreed with South Korean President No Tae-u.

The most important event happened Thursday: DPRK President Kim Il-song received ROK Prime Minister Kang Yong-hun, who conveyed to the DPRK leader a verbal message from President No Tae-u. Without a doubt, the lack of personal contact between the leaders of the North and the South affects the situation on the Korean peninsula and slows down the positive processes of detente. I believe that the establishment of such contacts could accelerate Korea's unification.

The assertion of the new thinking is a complex and contradictory process, but I would very much like to believe that during the second round of talks the premiers understood a simple truth: The times imperiously demand a new analysis of the situation which has taken shape on the Korean peninsula and the overcoming of traditional schemes and approaches.

Commentaries Assess ROK's Premiers DPRK Visit

Marks 'Step Toward Understanding'

LD1910193590 Moscow TASS International Service in Russian 1245 GMT 19 Oct 90

[By TASS political observer Sergey Afonin]

[Text] [No dateline as received]—The second round of talks between the heads of government of the DPRK and the ROK, which were held in Pyongyang, were a specific step toward reaching mutual understanding. This unusual event did not only capture the attention of the Korean people, but also drew broad international interest.

The division of Korea seems an anachronism in today's world, and the time has come to put the problem of its unification onto a practical plane in accordance with the longings of the Korean nation. Which is the stronger—the sense of national community, sharpened by the pain of separation, or separatism? Life shows that the balance is tilting perceptibly in favor of uniting the country.

However, North and South see these prospects differently. Seoul proposes creating a "commonwealth of the Korean nation" on the basis of a single system, which would essentially mean the "absorption" of the North by the South. Pyongyang's idea, put forward 10 years ago, is the formation of a democratic confederal republic of Korea; one stae and one nation, while retaining two social systems and two regional governments. This proposal was reiterated by DPRK President Kim Il-song when he received a South Korean delegation yesterday.

There is a difficult road to travel to achieve the aim of the whole nation, for the burden of mistrust and confrontation is great. In order to lighten this burden and to clear the way, Pyongyang has put foward a draft declaration of nonaggression between North and South. For the moment the matter is open, but, as a DPRK spokesman said, there is confidence that this important document will be adopted at the premiers' next meeting.

Following two rounds of high-level talks, the positions of the two sides have been presented in great detail. They contain points that coincide, and, of course, divergences of opinion. This is inevitable and quite natural when the legacy of long-standing confrontation is borne in mind. However, I want to note the points of similarity. Above all these are the recognition of the need for dialogue, and the importance of concentrating efforts on the search for accords in the political and military spheres, and on organizing cooperation between the two parts of the country.

So, both sides have demonstrated their own "keys" for "opening the doors" between North and South. The Pyongyang "key" is a set of measures to eliminate military and political confrontation, while that of Seoul is primarily to resolve matters of a humanitarian nature, and mutual exchanges. It seems however that in time these "keys" could be compatible.

But for the moment certain contradictions remain. Still in force are the demands of the DPRK to refuse the annual U.S.-South Korean "Team Spirit" maneuvers, to refuse to free individuals sentenced for unsanctioned trips to the North, and to postpone the issues of UN membership until some kind of accord about this has been reached.

A new round of talks between the premiers, scheduled for December, lies ahead. A first meeting between the DPRK and ROK presidents is also expected. One would like to hope that, given deepening mutual understanding in the favorable international situation that is coming into being, it will be possible to solve the Korean problem.

[Signed] Sergey Afonin, TASS political observer

'Barrier of Distrust' Still Seen

SK2010082890 Moscow International Service in Korean 0900 GMT 19 Oct 90

[Commentary by station commentator (Igor Lebedev)]

[Text] The second round of talks between the premiers of North and South Korea has concluded in Pyongyang, the capital of the DPRK. Our station commentator (Igor Lebedev) writes the following on this subject.

ROK Premier Kang Yong-hun, crossing Panmunjom, the border area between North and South Korea, made the following noteworthy statement. The Military Demarcation Line has been the barrier of distrust and confrontation that has hampered our people's free travel. We are going to Pyongyang to hasten the spring of reconciliation and cooperation that will melt the barrier of ice.

However, the second round of talks again failed to melt the barrier of ice. The barrier of distrust and confrontation along the 38th parallel is still there. However, it would not be wrong for me to say that a much warmer wind has begun to blow on the Korean peninsula,

because the second round of talks between the premiers of the two countries proceeded with an optimistic tone.

According to foreign press reports, Yon Hyong-muk, premier of the DPRK State Administration Council, and Kang Yong-hun, premier of the ROK, expressed similar positions on a series of matters in their talks. This will enable them to reach agreement on these matters.

The third round of talks will be held in Seoul from 11-14 December this year.

What prevented the achievement of specific results in the Pyongyang talks? I think that it was the different views over the easing of distrust and confrontation, which are heavy burdens that have grown for decades.

Here I would like to remind you of the North Korean position. Yon Hyong-muk, premier of the DPRK, stressed that all issues should be resolved in a package, as he did in the previous talks in Seoul. In doing so, he emphasized the resolution of the military and political problems. In other words, if the military and political confrontation were eliminated, North and South Korea would be able to cooperate and conduct exchanges in various fields of socioeconomic life on the basis of mutual trust.

However, Seoul's way of solving the problem is a little different from that. ROK Premier Kang Yong-hun gave the humanitarian proposals top priority. For instance, one proposal calls for free travel between North and South Korea and building confidence. Premier Kang Yong-hun proposed that the difference of opinion and the contradictory points be resolved by means of dialogue and talks and that neither side interfere in the internal affairs of the other side.

I should also like to note that Pyongyang made a proposal for a nonaggression declaration by the North and the South. The draft of this declaration lacks a proposition on the withdrawal of the U.S. troops and nuclear weapons from South Korea.

An Pyong-su, North Korean delegate, in a news conference after the conclusion of the Pyongyang talks, said that he is convinced that this declaration will be adopted at the next round of talks.

Although the second round of talks between the premiers of North and South Korea is over, no document has been signed. Nevertheless, I should like to stress again that the holding of talks in Pyongyang itself has important significance in advancing North-South dialogue. This is all the more so because President Kim Il-song agreed to meet President No Tae-u to hold talks with him. President Kim Il-song said this when he met South Korean Premier Kang Yong-hun after the conclusion of the second round of talks between the premiers of the North and the South.

Must Overcome Traditional Methods

SK2110230990 Moscow International Service in Korean 0900 GMT 20 Oct 90

[Commentary by (Ladislav Lukasine), IZVESTIYA correspondent in the DPRK, on the second round of talks between premiers of North and South of Korea in Pyongyang]

[Text] The dialogue between Kang Yong-hun, prime minister of the ROK, and Yon Hyong-muk, premier of the DPRK State Administration Council, was held in Pyongyang for three days.

They expressed each side's position toward removing military and political confrontation between the North and the South and of realizing multi-faceted cooperation. It is too early to draw a final overall conclusion on their talks because the dialogue requires a deep speculation.

The idea an agreement will be easily reached between the North and the South is foolish [orisokta]. The obstacles accumulated during scores of years of confrontation are too enormous.

On 18 October, talks were held in camera. According to statements by concerned officials, both sides are satisfied with the results of the talks. Although it is regrettable that the delegations of the North and South failed to reach a practical agreement, their positions have been made clear.

The statement by Yon Hyong-muk, premier of the DPRK State Administration Council, was profound in meaning. He said: For resolution of the issue of reunification, we must proceed from the national interest of our country and seek methods corresponding with our interest. There is no established method for solving the question of reunifying the divided country, nor can the other people's experience correspond to our nation's situation.

During the current talks, numerous issues, including economic and cultural cooperation and the reunion of separated families, were discussed. Entry into the United Nations was discussed most seriously among them.

As you know, the DPRK maintains that the two sides simultaneously enter the United Nations with a single seat. The ROK side, however, has a different position.

Yon Hyong-muk, head of the DPRK delegation, proposed to the head of the ROK delegation that the North and South sign a nonaggression declaration. Prime Minister Kang Yong-hun, however, refused to accept this, stating he has not consulted with President No Tae-u.

A very important event took place on Thursday when Kim Il-song, president of the DPRK, received Prime Minister Kang Yong-hun. During the meeting, Prime Minister Kang Yong-hun conveyed greetings from President No Tae-u to the leader of the DPRK.

Needless to say, the fact that there was no direct contact between the top leaders of the North and South negatively influenced the situation on the Korean peninsula, and hindered the affirmative process for easing tensions.

I believe that if the contact between the top leaders of the North and the South is realized, the process of Korea's reunification will be expedited.

The establishment of a new way of thinking is a very complicated and contradictory course. I believe that the premiers of both sides, however, have realized the simple truth that the times strongly demand one should reanalyze the situation on the Korean peninsula and overcome the traditional formulas and methods of approach.

Future Talks Planned

SK2110055690 Moscow International Service in Korean 1100 GMT 19 Oct 90

[Article by station commentator Sergey Petrov from the "Asia on Focus" program]

[Text] The second North-South premier-level meeting is over in Pyongyang. The meeting discussed issues concerning alleviating military tension on the Korean Peninsula. Our station commentator Sergey Petrov writes:

It would be no exaggeration to say that the fact that DPRK President Kim Il-song had agreed to meet ROK President No Tae-u is the [word indistinct] of the second premier-level meeting. Kim Il-song made this statement during his meeting with ROK Prime Minister Kang Yong-hun. The North Korean leader pointed out that when positive results are brought about in the North-South premier- level talks, such a meeting will be possible.

However, the two sides failed to reach a concrete agreement in the talks on such issues as arms reduction, the promotion of trade, the exchange of home-visiting groups, and the effort to locate separated family members, and the issue of halting the ROK-U.S. "Team Spirit" military exercise. The premiers only agreed to hold another round of meetings in Seoul on 11-14 December this year. It is likely that dialogue between the two Korean states will take place normally.

However, holding dialogue must not be the only purpose of such dialogue. Substantial results are necessary. Therefore, a meeting between the heads of the two Korean states will be of fundamental significance. Many obstacles still lie ahead of such a meeting. As the DPRK leader recalled, for the ROK to abandon its plan to unilaterally enter the United Nations will be the most positive move toward such a meeting. This, one of Pyongyang's important conditions, enjoys no sympathy from the Seoul side. I think that this issue must be resolved in the high-level meeting. I want to believe that the DPRK president's intention of meeting with the ROK president was not a strategic step to prevent the ROK from applying for admission into the United Nations at a time when the UN General Assembly is in session, but is rather a friendly and responsible position that will provide a new beginning in dialogue between the sides of Korea.

North, South Korean UN Entry Eyed

SK1810105190 Moscow International Service in Korean 1100 GMT 13 Oct 90

[From the "Focus on Asia" program]

[Text] The Soviet weekly NOVOYE VREMYA carried a special article entitled "To Enter the United Nations or Not To Enter the United Nations."

Pyongyang and Seoul have not agreed on how to solve this problem. Two different views were expressed on this issue by Kim Hui-su, minister plenipotentiary and DPRK charge d'affaires ad interim to the Soviet Union, and Ambassador Kong No-myong, head of the consular department of the Korean Trade Promotion Corporation [Kotra] stationed in Moscow.

The following is the gist of the special article.

Kim Hui-su, DPRK charge d'affaires ad interim to the Soviet Union said as follows.

Kim Il-song, president of the DPRK, in his policy speech at the First Session of the Ninth Supreme People's Assembly on 24 May 1990, put forward a new proposal for a joint UN membership by the North and the South sharing one seat. If this proposal is realized, there will be no more confrontation or rivalry between the North and the South in the international arena of the United Nations, but they will be able to jointly defend the interests of the same nation cooperating with each other. There has never been a precedence of a divided nation having joint UN membership sharing one seat. However, we are convinced that the United Nations can explore a new method for the solution of the joint UN membership by the North and the South, different from the hitherto tradition, if the United Nations, whose fundamental objective is to defend peace and independence, is to help promote the peaceful reunification of Korea.

I should like to note that the Korean question is significantly different from the German question. Germany was divided according to the demand of the Germans themselves and the agreement between themselves. There has never been a reason for dispute and hostility for them. Therefore, separate UN entry by the two German states did not constitute an obstacle to the German reunification. If the North and the South enter the United Nations separately or if either of them takes a unilateral step in this [word indistinct], the division will in fact be acknowledged by the international community. Then the North-South dialogue will fail, the North-South relations will be aggravated, and the Korean reunification will turn out to be a task for the distant future.

As for the official recognition of South Korea by the Soviet Union, I will not say anything, said Kim Hui-su, DPRK charge d'affaires ad interim to the Soviet Union, finally.

Ambassador Kong No-myong, head of the consular department of the Kotra in Moscow, expressed his view on the UN entry issue as follows.

Our decision on UN entry has not been made today, said Kong No-myong. The ROK adopted a special declaration in 1973, in which the ROK expressed its intention of entering the United Nations separately from the DPRK. The ROK had held a view that the ROK, not the DPRK, has the right to enter the United Nations. However, starting with the indisputable fact that the DPRK government really exists, Seoul has changed its position toward Pyongyang.

It is interesting to note that as early as 1949 North Korea attempted to enter the United Nations, to no avail. Two years later North Korea tried again in vain. In May (?1990) the DPRK worked out a plan for UN entry again, and put forward a well-known proposal. Meanwhile, the ROK maintains a view that it can separately enter this international organization. I stress that this will not hinder the two Koreas from being reunited into one state. Besides, we cannot agree to the Pynogyang proposal since our two countries have different socio-political systems.

The ROK anticipates that the UN entry issue will be a subject of discussion at the North-South premiers talks to be held in Pyongyang from 16-19 October 1990. We have decided to put off the UN entry issue until the talks begin to make efforts to achieve agreement with the North. We are aware that it is not easy for us to engage in dialogue with Pyongyang. For example, we acknowledge their right to a seat as a UN member state, but they do not acknowledge our right to the seat.

Finally, we are convinced that the establishment of diplomatic relations between the ROK and the Soviet Union and the sincerity of the Soviet leadership toward the principle of the universality of the United Nations will contribute to the UN entry by the North and the South, noted Ambassador Kong No-myong, head of the consular department of the Kotra in Moscow, finally.

Anniversary of Japanese Ties Commemorated

Ambassador Interviewed

OW2010062090 Moscow in Japanese to Japan 1200 GMT 19 Oct 90

[Interview with Japanese Ambassador Sumio Edamura by Radio Moscow reporter (Gudorov) on the occasion of the 34th anniversary of the Soviet-Japanese declaration on resuming diplomatic relations; place and date not given—Edamura's comments in Japanese; recorded]

[Excerpts] [(Gudorov)] It is already five months now, Mr. Ambassador, since you arrived in Moscow to take up the post. Would you tell us about what you have achieved during these five months?

[Edamura] Rather than talking about my achievements, I would like to talk a little about what has happened and what impressions I have obtained.

I have noticed something different from the past. In particular, I am strongly impressed with the fact that a common basis has been established for dialogue between Japan and the Soviet Union. Of course, this basis lies especially in the Soviet diplomacy of new thinking or in perestroyka, and the economic reform program. I strongly feel that this common basis for Japanese-Soviet dialogue lies in respect for democracy, the defense of human rights, and respect for human nature.

Since my arrival here, I have met and talked with various figures. After presenting my credentials, I had an opportunity to talk with President Gorbachev. I also had chances to meet and talk separately with Foreign Minister Shevardnadze and Presidential Council members Yakovlev and Primakov. In my talks with them, I felt that our relations have become such that we could exchange views very frankly. Concerning this point, when Foreign Minister Shevardnadze visited Japan last September, he stated his impressions that the dialogue was carried out in an atmosphere entirely different from ever before. His remarks, I think, support what I just mentioned.

Accordingly, when a crisis was created by the Iraqi invasion of Kuwait, Japan and the Soviet Union issued a joint statement on the situation. It was actually the first time that our two nations reached an accord and issued a joint statement on a crisis. I would like to first point out that it now has become easier for me to carry out my activities here, and my job has become of greater interest now.

Under such circumstances, exchanges of personnel have been greatly promoted. [passage omitted]

[(Gudorov)] At present, the trend in the Soviet Union, as well as in Japan, is moving toward strengthening the bilateral relations between our two nations. It is expected that President Gorbachev's visit to Japan, which is scheduled for the near future, will become a significant event in this regard. What efforts are the Japanese side making in order to make his visit a success?

[Edamura] Since you just mentioned President Gorbachev, I would like to say a few words about him first. Recently, the Nobel Peace Prize was awarded to President Gorbachev. As I have just mentioned, I think this is because of the high appraisal of his contributions to establishing peace in the world, particularly in Germany, through the Soviet Government's diplomacy based on new thinking, and I would like to offer my congratulations from the bottom of my heart.

Of course, both the Japanese and the Soviet people have great expectations and also aspirations for the success of President Gorbachev's visit to Japan. An accord was reached during Foreign Minister Shevardnadze's visit that further efforts would be made for achieving this. For this purpose, Japan has set forth the policy of improving Japanese-Soviet relations through expanded balance [kakudai kinko]. This includes assistance for perestroyka, aid for victims of the Chernobyl accident, and further promotion of consultations between the two nations.

During Foreign Minister Shevardnadze's visit, it was agreed that consultations would be started at the policy planning level, in addition to those carried out through the diplomatic channel, the working-level consultations at the vice-ministerial level, and the working-group consultations for concluding a peace treaty. Thus, one of the plans is to further promote bilateral talks. At the same time, various measures have been taken to promote expanded balance without waiting for President Gorbachev's visit. [passage omitted]

Of course, what we can never avoid is the issue of concluding a peace treaty that will include the settlement of the territorial problem. As far as we are concerned, we feel that some sort of a conference on the peace treaty has been carried through the diplomatic channel, and that it will be necessary to carry out such talks. Despite the fact that the common basis for dialogue has been established, I do not think sufficient talks have been conducted on this issue. And we feel that this issue, above all, concerns the settlement of postwar accounts.

In other words, a peace treaty will be concluded to stabilize the bilateral relations by working out a legal status for the accidental situation that was resulted from the war, an unfortunate accidental incident. Our understanding now is that it is not a situation in which Japan is demanding from the Soviet Union what has already become Soviet territories. First of all, the delegations of our two nations should take this point as a common basis so that the group working on the peace treaty can carry on the consultations.

Of course, we should notice efforts made by the Japanese side. However, I am pleased to notice that the Soviet side has been making its due efforts in various forms to improve the atmosphere of the bilateral relations, too. For instance, there is the so-called humanitarian issue connected with visits to ancestral tombs on Sakhalin and on the northern islands, as I have just mentioned. Last June, the Soviet side granted approval for visits to various locations that have not been permitted before. We have also noticed the positive stance of the Soviet Union in dealing with the issue concerning detention in Siberia.

In this connection, I feel that we must try to combine the efforts made by both the Japanese and Soviet sides so that President Gorbachev's visit to Japan will be turned into a truly significant one, and potential in Japanese-Soviet relations should be brought into sufficient play as has often been mentioned. [passage omitted]

Relations Termed Positive

OW2010034590 Moscow in Japanese to Japan 1000 GMT 19 Oct 90

[Commentary by Moscow radio commentator Grigoryev on the 34th anniversary of the joint declaration for restoration of diplomatic relations between the Soviet Union and Japan—read by announcer]

[Text] The Soviet Union and Japan have not followed a smooth path since they signed a joint declaration on the restoration of their diplomatic relations. However, the icy and retrogressive era in their relations has been replaced by a upbeat era. It can be said that Soviet-Japan relations have moved in a positive direction as a whole and reached a substantially high level. Presently, there are more than 60 treaties and accords and other agreements between the two countries. It can be said that Soviet-Japan relations stand firmly based on these treaties and accords. The Soviet-Japan joint declaration has given an impetus to promoting political dialogue between the Soviet Union and Japan. Top leaders of the two countries have held a series of talks, and they have maintained regular contacts through personal messages. A mechanism has been created for regular talks between the foreign ministers of the two countries, and there have been broad exchanges between parliamentarians and broad contacts between political and social groups of the two countries. This year, the CPSU and the governing Liberal Democratic Party in Japan started their exchanges.

Meanwhile, the Soviet Union fulfilled its promise of supporting Japan's membership in the United Nations—a promise incorporated in the Soviet-Japan joint declaration—and this was of great significance to Japan. As a result, Japan was admitted to this authoritative international organization on 18 December 1956. The Soviet Union and Japan have continued contacts in the United Nations and other international forums since Japan's admission and exchanged their views on crucial political issues in the world. For example, a Soviet-Japan joint statement on the Gulf situation was released when Soviet Foreign Minister Shevardnadze visited Japan, and this was of special significance. In the statement, the foreign ministers of the countries criticized the Iraqi invasion of Kuwait as illegal and demanded an immediate withdrawal of Iraqi troops from Kuwait. The statement was the first case of joint action taken ever between two countries for the resolution of crucial international issues.

An accord on fishing quotas in the northwest Pacific went into effect along with the joint declaration, and the accord has provided the basis for fruitful cooperation between the Soviet Union and Japan on the fishing issue.

A clause concerning the development of economic cooperation between the two countries in the joint declaration has been of substantial significance to the development of relations between the two countries. A Soviet-Japan trade treaty was concluded on 6 December 1957 based on this clause, and on the basis of this treaty, the two countries signed agreements on the trade and payment for a year, three years, and five years beginning in 1966, respectively. As a result of these agreements, trade between the Soviet Union and Japan in 1989 amounted to more than $6 billion, a record high. Thus, Japan has become the largest trade partner of the Soviet Union in the Asian and Pacific region. A new type of economic cooperation between the two countries is on the track, and 35 joint-venture businesses formed between the enterprises of the two countries have been registered in the Soviet Union.

In addition, cultural exchanges between the two countries have been active and a governmental accord concluded in May 1986 has further promoted cultural exchanges between the two countries. Soviet-Japan relations still remain behind the dynamic developments in relations between the Soviet Union and other major nations. It can be concluded that the potential of the two countries has not yet been fully utilized.

In Japan, there is an emerging common awareness on the need to put Soviet-Japan relations on a higher and qualitatively new level and on a new foundation based on unwavering treaties and laws after concluding a peace treaty. As you are aware, intensive negotiations on the conclusion of the peace treaty are being held at the foreign ministerial talks and working-level talks are being held by vice foreign ministers of the two countries. Although differences remain between the two countries on the border issue, the two countries share a common perception on the clauses of the treaty.

Judging the results of Soviet Foreign Minister Shavardnadze's visit to Japan in September, the Japanese side appears to be willing to consult with the Soviet side about joint actions in the international arena and the economic cooperation issue, along with the so-called territorial issue, under a plan for expanded equiliburium in Soviet-Japan relations that has been announced by Japan. This move on the part of the Japanese side will be undoubtedly appraised positively by the Soviet Union, which has already advocated building broad-based relations with Japan that are not affected by any political restraints.

The Soviet side confirmed anew President Gorbachev's official visit to Japan next April when Soviet Foreign Minister Shevardnadze visited Japan, and both sides agreed to work together to make his visit to Japan an epochal event in Soviet-Japan relations. Even if it would be difficult to resolve all the issues between the Soviet Union and Japan during President Gorbachev's visit to Japan, his planned visit will be the first visit by a top Soviet leader in the history of Soviet-Japanese relations and will be of ephocal significance. His planned visit to Japan will also certainly give an important momentum to the path paved in Moscow 34 years ago.

Near East & South Asia

Soviet Officials View Persian Gulf Crisis

Maksimov Discusses Gulf Presence

LD1910163690 Moscow World Service in English 1210 GMT 19 Oct 90

[Report on interview with Soviet General Staff member General Yuriy Maksimov by unidentified Moscow radio correspondent; place and date not given—Maksimov's remarks are in Russian with superimposed English translation; recorded]

[Text] Following several rounds of talks here in Moscow between the visiting American Defense Secretary, Dick Cheney, and ranking Soviet Army commanders, a Radio Moscow reporter has asked General Yuriy Maksimov of the Soviet General Staff to describe this country's approach to the situation in the Persian Gulf. Asked to name the exact number of Soviet warships in the Gulf and the functions they are fulfilling there, General Maksimov had this to say:

[Maksimov] There are no Soviet warships in the Persian Gulf at present. The several naval ships and auxiliary vessels which this country has sent to the Gulf of Oman are staying there to ensure the shipping safety of Soviet merchant vessels. Not a single Soviet warship belongs to the international naval force in the Persian Gulf.

General Maksimov was then requested to name the number, and explain the function of the Soviet military specialists staying in Iraq. He suplied these figures:

[Maksimov] There are 93 military experts and 40 interpreters in Iraq today. The contracts of half of them expire this year. Among such people are college teachers and specialists in the operation and repair of military hardware and the equipment of shooting ranges. None of them has ever been involved in the planning of combat operations by Iraqi staffs or troops, or in hostilities of any kind.

Our reporter recalled that a number of Iraqi leaders have said their country might be compelled to order a response missile attack on Israel under certain circumstances. He asked whether one could expect Iraq to use for the purpose the missiles it had received from the Soviet Union. General Maksimov observed:

[Maksimov] In the mid-1970's the Soviet Union supplied Iraq with a number of ground-to-ground missiles with a range of up to 300 kilometers, which rules out the possibility of their use for attacks on Israel from Iraqi territory. However, the Iraqis have independently developed long-range missile systems, whose exact technical characteristics are still unkonwn. Soviet experts did not take part in the work of those systems.

Asked whether this country has informed the Pentagon of the technical characteristics of the weapons it supplied to Iraq, as some news agencies have reported, General Maksimov replied in the negative:

[Maksimov] All reports about the alleged transfer to third countries of information about the weapons systems the USSR supplied to Iraq have been false, but military experts have no particular difficulty in obtaining such information independently since the media have carried rather detailed reports on the weapons we used to dispatch to Iraq. Many countries' representatives had access to information of that kind at the Baghdad exhibition of weapons and military hardware in May last year.

Presidential Spokesman Comments

LD1910180390 Budapest Domestic Service in Hungarian 1145 GMT 19 Oct 90

[Interview with presidential spokesman Ignatenko by correspondent Gabor Izbekhi; Ignatenko's comments in Russian fading into Hungarian translation—recorded]

[Excerpt] The Soviet Government does not wish to make a secret bargain with or against anybody, Soviet presidential spokesman Ignatenko told our correspondent Gabor Izbekhi.

[Izbekhi] The Soviet Union would not like a war to break out in the Middle East, more specifically in the Gulf. This has already been expressed by Foreign Minister Shevardnadze, foreign affairs spokesman Gerasimov, and presidential spokesman Ignatenko. They cannot, however, tell with complete certainty if fights are avoidable, in fact they even oppose asking the question of whether there will be a war. The Soviet Parliament, in any case, objects to the deployment of Soviet soldiers in the Gulf. The MOSKOVSKIYE NOVOSTI said that this is only conceivable on a voluntary basis. In this situation, Vitaliy Ignatenko outlined as follows the latest Soviet diplomatic steps aimed at avoiding a war, the most important elements of which are the visits to Rome, Paris, and Washington by the president's special envoy, Primakov.

[Begin Ignatenko recording] The situation in the Gulf and the whole area is very delicate. The mission of the president's envoy, Primakov, is therefore also very delicate and complicated. You might understand that for this reason I cannot give any details on the substance of the mission. No matter what is made public prematurely, in the area where a great military force is concentrated and a lot of foreigners are staying, a vast number of people can suddenly become hostages. I can only say that this is the continuation of Primakov's Middle East trip, and serves our finding a political solution for the crisis. The Soviet leadership has thought over and planned everything very thoroughly and precisley. It does not wish to form a secret alliance, or bargain with or against anybody. The Soviet leadership will decide on further steps in the wake of Primakov's talks, and will keep in mind the intention that the crisis should end without a war. Even the smallest opportunities must be taken for this. [end recording] [passage omitted]

Egypt's Foreign Minister Interviewed on Gulf

PM2110143190 Moscow IZVESTIYA in Russian 21 Oct 90 Union Edition p 5

[Interview with Egyptian Foreign Minister Dr. 'Ismat 'Abd-al-Majid by IZVESTIYA special correspondents D. Velikiy and B. Ivanov; date not given: "Who Is To Blame? Egypt's Foreign Minister Reckons That Saddam Husayn Has Brought Western Troops to the Near East"—first paragraph is IZVESTIYA introduction]

[Text] Cairo—Dr. 'Ismat 'Abd-al-Majid, head of Egypt's foreign policy department, received us in his office, from where there has a good view of a large yellow building on the next street. It previously housed the headquarters of the Arab League from the time it was founded until its transfer to Tunis. It is now surrounded by a multilayered ring of scaffolding. The building is being cleaned and refurbished: By decision of the organization's members, the Arab League Secretariat is soon to return to Cairo. However, the situation in the Arab world now as a result of the Persian Gulf crisis is once again charged to the limit, and the League is once again experiencing hard times. That is why the question with which we began our conversation concerned the League.

[IZVESTIYA] Mr. Minister, people have begun to talk in earnest recently about an effective split within the Arab League. Events in the Arab world since the beginning of the Iraqi aggression formally confirm this impression. What is your opinion on this? Can we still talk about such concepts as "Arab unity" and a "common Arab cause"?

['Abd-al-Majid] Not only the Arab League but every Arab citizen has been thrown into confusion by one Arab state's aggression against another. However, I want to point out that Arab countries have condemned the Iraqi aggression; opinions have only differed on the means of settling the crisis—by international or Arab efforts. As for whether there is a link between Iraq's aggression and the Arab-Israeli conflict and other problems in the region, I will say the following: Even if some differences do arise on this subject, they by no means herald the end of Arab League activity or the Arabs' abandoning their desire to secure economic and political unity in the future and, above all, their attempts to resolve the region's problems, at the heart of which there is still the Arab-Israeli conflict.

[IZVESTIYA] What is your opinion of the current situation in the Persian Gulf? What is Egypt's role in the context of international and inter-Arab efforts to settle the crisis?

['Abd-al-Majid] Iraq's aggression against Kuwait violates international law, accepted international relations, and the Arab countries' pledge not to intervene in one

another's domestic affairs. This pledge is clearly enshrined in the Arab League Charter and has been confirmed on several occasions at recent sessions, during which none other than Iraq played an appreciable role in reinforcing the mandatory nature of this principle and deepening the concept of Arab solidarity.

Since the outbreak of the conflict, our president, Husni Mubarak, has made several appeals to Saddam Husayn urging him to submit to international law, renounce his aggressive policy toward Kuwait, and thus divert from the region the threat of a brutal destructive war. Egypt's president has said that this problem is of fundamental importance for Egypt and that he is acting under the compulsion of circumstances brought about by one state's aggression against another.

Egypt has pointed to the urgent need for the withdrawal of Iraqi troops from Kuwait and the restoration of the legitimate authorities there by peaceful means. No concessions should be made to Saddam Husayn until he meets these demands. Talks will then have to be held between the Iraqi and Kuwaiti Governments to resolve all questions giving rise to disagreement.

[IZVESTIYA] How, in your opinion, can the crisis be settled if Iraq still refuses to withdraw its troops from Kuwait?.

['Abd-al-Majid] I think this is a premature question. We would like the UN economic sanctions against Iraq to halt Iraq on the path which is taking it deeper into an impasse and force it to withdraw its troops from Kuwait—as required not only by the international community but also by the interests of Arab security. It is necessary to avert a totally unnecessary inter-Arab conflict and also to preserve Iraq's powerful potential—which is needed to maintain the balance of forces in the region—by avoiding destructive strikes against it.

[IZVESTIYA] Do you think that the economic sanctions against Baghdad will prove effective and compel it to withdraw its troops from Kuwait?

['Abd-al-Majid] The results of the sanctions will take some time to make themselves felt. We used this measure to avert a military conflict. Consequently, there is hope that the contradictions that have cropped up may be resolved by nonviolent means. Egypt has backed all the UN Security Council resolutions since the beginning of the crisis. We are working within the UN framework and reckon that it is best to try to get a settlement in the Persian Gulf via this organization, without violating any principles of international law. We hope that the resolutions in question will have the proper effect on the Iraqi leadership and that it fulfills them before the crisis develops into military confrontation.

[IZVESTIYA] What is your opinion of the Soviet Union's policy in the region and, in particular, Moscow's position on the Gulf crisis?

['Abd-al-Majid] Great positive changes are taking place in the Soviet Union under President Gorbachev's leadership. One important result of these changes has been the whole world's move away from the cold war to the stage of worldwide international accord. These changes have also, undoubtedly, brought universal recognition of the need to seek new forms of international relations—without the use of force in settling the contradictions that arise between states. This was graphically displayed in the unanimity demonstrated by the great powers in the UN Security Council for the first time since World War II, unanimity designed to make Iraq submit to international law. Egypt welcomes the position of the Soviet Union, which rejects the aggression and calls for an immediate end to it.

[IZVESTIYA] Over the last few weeks calls have been heard from certain Arab capitals for a Persian Gulf settlement to be sought in parallel with the quest for a solution to the Arab-Israeli conflict. The principle of linking the two problems is being made moot....

['Abd-al-Majid] The Arab-Israeli conflict is undoubtedly the most important component of the whole Near East situation, and Egypt is making great efforts to resolve it; however, linking it to the Iraqi-Kuwaiti crisis can only delay the attainment of a settlement in the Gulf. The Iraqis are demanding the Israelis' withdrawal from the occupied territories as the condition for their troops' withdrawal from Kuwait. However, we are clearly dealing with different situations here: In one case we have a conflict between Arab states, in the other, between Israel and Palestine. We think it is necessary to secure the troops' withdrawal from Kuwait first, and then concentrate pressure on Israel with a view to making it leave Palestinian territory.

[IZVESTIYA] What are Egypt's relations with the PLO like now? What is your opinion of the Palestinians' position in the current crisis?

['Abd-al-Majid] The PLO has tried to clarify its position. A considerable number of PLO delegations has visited Cairo since the start of the crisis. We acknowledge the PLO's right to make decisions; however, we reserve the right not to agree with its decisions as regards the Gulf crisis.

[IZVESTIYA] Voices can now be heard in the Near East accusing Egypt of pursuing a policy that is helping to increase the foreign troop presence in the region....

['Abd-al-Majid] I am sure that these accusations are unjust. Who in fact brought the Western troops into the region? None other than Saddam Husayn. Quite clearly there would be no foreign troops here were it not for Iraq's occupation of Kuwait.

On the other hand, Saudi Arabia has made use of its legal right to defend its territory. There was, after all, quite a real—by no means imaginary—threat of an Iraqi invasion of Saudi Arabia. It is quite natural that this country asked for help, including from Arabs. Egypt, Syria, and

Morocco responded. Of course, when the conflict is settled, the foreign troops must leave the region.

[IZVESTIYA] Are you sure that will happen?

['Abd-al-Majid] Yes, I am. However, see for yourselves. ['Abd-al-Majid ends]

'Ismat 'Abd-al-Majid turned to a table and retrieved a document from a pile of papers. He then took a pen, underlined several sentences, and handed it to us.

['Abd-al-Majid] This is the resolution adopted by the extraordinary Arab League meeting in Cairo on 10 August. It clearly records that the Arab League's steps to defend Saudi Arabia's borders will be halted—that is, all the troops will be withdrawn from there—after Iraqi troops have been withdrawn from Kuwait and the legitimate government begins to operate there.

[IZVESTIYA] All the current efforts to end the crisis peacefully may prove unsuccessful. What then?

['Abd-al-Majid] Whatever happens, we must strive to fully implement the decisions of the international community designed to settle the conflict peacefully. This is no easy matter; but we cannot give up. If these efforts are not successful we will have to turn to the United Nations to seek other possibilities for obtaining justice. I would, of course, like to avoid hostilities.... But we must not close our eyes to aggression. Nor should we agree to compromise here.

Military Affairs Specialist Views Iraqi Army

LD1910213990 Moscow Radio Peace and Progress in Arabic 1408 GMT 19 Oct 90

[Interview with Dr. Sergey Aleksandrov, Moscow Radio "advisor and specialist on Middle East military and political affairs," by unidentified correspondent; place and date not given—recorded]

[Excerpts] [Correspondent] [passage omitted] How do you compare the Iraqi Army with other Arab armies?

[Aleksandrov] I believe that the Iraqi Army, in comparison with the other Arab armies, has more combat experience, and the Iraqi military history from the 1960's is full of wars and armed conflicts. Some may ask: what about the Egyptian Army, for instance, which, unlike the Iraqi Army, took part in all the Arab-Israeli wars, excluding of course the 1982 war in Lebanon, or the Syrian Army which in addition to its participation in the wars against Israel has been fighting for many years in Lebanon?

But in my estimation the Iraqi combat experience is bigger. Why? Because during the Iranian war, the Iraqi Armed Forces were used as a whole—that is, all weapons and formations were used togetehr for a very long period. [passage omitted] The Iraqis planned and carried out big military operations in attack and in defense at the various theaters of operations. The frontline extended to about 1,900 km. [passage omitted]

[Correspondent] What is, in your opinion, the state of the Iraqi Armed Forces today, what is their size and what are their organizational structures?

[Aleksandrov] Well, according to the information published in the world press, the Iraqi Armed Forces total about one million soldiers and officers. The land forces consist of seven corps in 55 divisions. The Republican Guard is regarded as the strike force of the Iraqi Army. It consists of seven regularly-trained divisions, and according to Iraqi information, the militia or the People's Army total five million people—I believe this is a big exaggeration. In fact, it totals 700,000 at most. At any rate, military experts in the world agree unanimously on this figure. [passage omitted]

[Correspondent] What weapons and equipment are used by Iraq?

[Aleksandrov] According to world media estimates, the Iraqi Armed Forces have between 5,500-5,600 tanks, including about 500 advanced T-72 tanks and about 1,000 T-62 tanks. These tanks, as is known, are of Soviet manufacture. There are also about 3,500 field artillery pieces and 500 surface-to-surface missiles of various types, 200 missile launching artillery, 330 anti-aircraft missile launchers, and more than 500 combat aircraft. This is certainly a might combat capability even in comparison with advanced countries.

As to the Iraqi Naval Forces, they are considered weak, as there is only one (?frigate) and small number of missile boats and ships and torpedo (?submarines). Yet the Iraqi Navy has a quantity of shore to sea missiles which are considered an effective means of combating amphibious forces. [passage omitted]

[Correspondent] Doctor, can you talk to us about the Iraqi chemical arsenal?

[Aleksandrov] I believe that the real value of reserves of poisonous materials, their types and so forth, in Iraq is known, to a certain extent of course, to the intelligence services and leadeships of several states alone. In recent weeks, the world press published a large number of articles and figures on this matter. [passage omitted]

[Correspondent] Doctor, what do you think of the Iraqi nuclear program?

[Aleksandrov] It must be said first of all, that Iraq signed the international nuclear non-proliferation treaty. But from the start of the 1970's, the Iraqi leadership has been striving to acquire such a weapon, because it may win Baghdad dominant political positions in this region.

The French-made Osirak reactor was an important factor in the realization of the Iraqi ambitions. As we know, it was destroyed in 1981 following the Israeli air raid. In 1987, the French Goverment presented some proposals on the rebuilding of the destroyed reactor,

near Baghdad. But by then, the French proposals had come late, as Iraq had embarked on the rebuilding of the reactor independently immediately after the Isreli strike. New information published in the Iraqi press this year showed that furnaces capable of producing isotopes have been in operation in Iraq since 1985 and 1988 [as heard]. At present the reactor, which was destroyed in 1981, is working well—that is, as it used to work before the raid.

Some experts believe that the Iraqis possess today the simplist form of nuclear explosion apparatus. Yet from the level reached by Iraq until the manufacturing of the real nuclear explosion device, the road is long and hard, scientifically and technologically.

[Correspondent] When will Iraq be able to complete this road?

[Aleksandrov] There are here differing and contradictory opinions. Some say two or three years are required [words indistinct], while others think 10 years. [passage indistinct]

At any rate, the Iraqis' successes in the development of the missiles industry is certain and is also expensive. In the Spring of this year, according to some estimates Baghdad's expenditure on the building of one facility: the research and tests center has almost the same tasks as the Los Alamos center in the United States.

In addition, the Iraqi leadership spent $480 million on the construction of another scientific research and missiles [word indistinct] center, which occupies a huge area. They gave it the code name Project 395. When talking about the missile industry in Iraq, I notice a direct close link between the Iraqi arms race and the non-settlement of the Arab-Israeli dispute.

[Correspondent] Does the Soviet Union take part in the Iraqi preparations in the missiles field, in the nuclear field?

[Aleksandrov] I do not think so. The Soviet Union does not have a mentionable role whether in the field of Iraqi nuclear and missile research, or the field of the creation of the chemical arsenal. Scandals published lately in the world press indicated that West Germany, Britain, and other Western countries are linked to the Iraqi programs. But these relations are at the level of companies, so it seems, and not at the level of governments. I believe that People's China is also linked to these programs.

[Correspondent] Doctor, let us draw conclusions. What do you think of the Iraqi combat capability?

[Aleksandrov] Well, at the regional level I hold the Iraqi military capabilities in high esteem. But the forces facing Iraq today are superior to it technologically, and this superiority is very noticeable. At sea, the multinational force is much superior. But I am not convinced by the opinions of those anlysts who believe that Iraq will be defeated in a short time. In the event that war becomes unavoidable, I believe that it will be a difficult one for both sides. [passage omitted]

Commentaries Assess Persian Gulf Crisis

Mideast Peace Links Pondered

PM1910160190 Moscow PRAVDA in Russian 19 Oct 90 First Edition p 4

[Vladimir Belyakov "Viewpoint": "Fresh Wound and Old Sore"]

[Text] Cairo—The Israelis' massacre of Palestinians in occupied East Jerusalem last week again drew the international community's attention to the Arab-Israeli conflict. It was a reminder that no matter how serious the fresh wound of the Iraqi aggression against Kuwait is on the body of the Near East, the region's running sore also needs urgent treatment.

At first glance it may seem that these two conflicts—between Arabs and Israelis and between Iraq and Kuwait—have nothing in common. However, I am convinced that a deep inner link exists between them.

The first point that seems beyond doubt is that Iraq would not have dared to seize Kuwait had its leadership not been sure that it would get away with it. Of course, those people who claim that Iraqi politicians were incapable of grasping the essence of the changes taking place in the international arena now are right. But it is also true that they were "inspired," if that is the right word, by the example of the 23-year Israeli occupation. If Israel can with impunity seize a neighbor's territory by force, why can Iraq not do the same? In both cases the justification for the aggression is the same. Both Israel and Iraq claim that they have not occupied someone else's land but merely liberated their own.

Iraq also counted on the fact that whatever the international community's reaction to the seizure of Kuwait, it would have sufficient scope for political maneuvering, at least in the Arab world. This plan was also based on the presence of the Arab-Israeli conflict. And it was largely proved right. After all, how come Iraq, a relatively small country, has the largest military might in the Arab world? Thanks to the Arabs themselves. Initially the Arab monarchies encouraged it as a counterweight to Iran with its "Islamic revolution" ready at any moment to erupt beyond the country's borders. Then they began to regard Baghdad as a potential champion against Israeli occupation, with its strength viewed as a common Arab asset. It is noteworthy that even many of those in the Arab world who categorically reject the Iraqi occupation of Kuwait are at the same time resolutely opposed to the elimination of Iraq's military strength.

Let us take another related aspect of the situation—the Arabs' reaction to the deployment of U.S. and other Western troops in the Persian Gulf zone. As is well known, that reaction is far from uniform. Many in the Arab world are claiming, not without justification, that the West is displaying a dual approach to international law. On the one hand, UN Security Council Resolution No. 242 on eliminating the consequences of the Israeli

aggression, unanimously adopted 22 November 1967, has still not been fulfilled and the Western states have clearly done nothing to secure its implementation. On the other hand, to implement the Security Council resolution on Iraqi aggression, the United States and its allies have sent a 200,000-strong army to the region and are ready to use force. Where is the consistency here? The duality of the situation is dividing the Arab ranks, thus again leaving Baghdad room to maneuver.

All this shows that eliminating the consequences of Iraq's aggression against Kuwait and avoiding bloodshed in the process would have been easier if a practical step had been taken to eliminate the consequences of the Israeli aggression. And if the settlement of the Kuwait crisis had not been made contingent on the settlement of the Near East crisis, as Iraqi President Husayn proposed in mid-August, but a parallel course of action had been adopted instead.

The question that arises, of course, is this: If 23 years are not enough to settle the conflict in the Near East, is it realistic now to talk about a practical step toward peace in this region? I believe that in any event it is more realistic than three months ago. Admittedly, the U.S. position in the UN Security Council during the discussion of the carnage in East Jerusalem inspires only cautious optimism. But perhaps if it is not the interests of justice and peace in the region or compassion for the hapless Palestinians, then it is a desire to spare the lives of thousands of its soldiers who are threatened with death in the event of war that is making the U.S. Administration more flexible in its approach to the Near East settlement?

Likelihood of War, Peace Viewed

PM1910232390 Moscow PRAVDA in Russian 20 Oct 90 First Edition pp 1,5

[Article by PRAVDA correspondent V. Belyakov under the rubric: "Abroad": "War or Peace?"]

[Text] Riyadh—Scarcely had I set foot on Saudi soil when I became conscious of the crisis in the Persian Gulf region. Admittedly, in a somewhat peculiar form: It proved extremely difficult for me to find a hotel room in Riyadh—they are all jam-packed with refugees from Kuwait.

Something else is also striking. Dappled American Hercules military transports constantly whirl over the city. They are based at the old international airport, which has ended up virtually within the city limits as Riyadh has expanded. Several times AWACS aircraft bearing the inscription USAF flew over my hotel as they came in to land. In the evening you can meet groups of U.S. servicemen in field uniform in the streets and the markets. Here is another feature. The newspaper 'UKAZ acquaints its readers in detail, with photographs, with how they should handle gas masks. This is a preventive measure in the event of a war in which Iraq may use chemical weapons.

Saudi Arabia has found itself practically in the conflict zone. It borders both on Iraq, which committed the aggression, and its victim—Kuwait. Fearing the expansion of Iraqi aggression, the Saudis called on the forces of 30 or so Arab and Western states—now numbering more than 250,000 men—to come to its aid. The kingdom has provided refuge on its territory for the legitimate Kuwaiti Government, which fled the invaders, along with many thousands of Kuwaitis.

The most noticeable thing when you talk to the Saudis is their uncompromising stance toward Iraq. It reflects the official viewpoint frequently set out by Foreign Minister Prince Sa'ud al-Faysal, namely: There can be no talks with Iraq until it completely withdraws its troops from Kuwait and until that country's legitimate government is restored.

The Kuwaitis are even more determined. The results of the Kuwaiti People's Congress which ended Monday in the Saudi city of Jeddah are indicative in this respect. Its participants—1,200 representatives from various strata of Kuwaiti society in addition to the ruling family—rejected any solution of the crisis that does not envisage the unconditional fulfillment of the well-known UN Security Council resolutions. This was, indisputably, a sign of disapproval directed at those Arab leaders who, in an endeavor to avoid a bloody war, are trying to find a way out of the crisis based on compromise.

Some facts enable one to assume that Iraq does not count on remaining in Kuwait forever. It would obviously like to retain control over the border oilfield of al-Rumaylah, the bulk of which is situated on Iraqi territory. Moreover, it would like to hang onto the islands of Bubiyan and Warbah, which protect the Iraqis' outlet into the Persian Gulf. Thus, Kuwaitis who have recently left their homeland say that the occupiers have begun to build a wall separating southern al-Rumaylah from the bulk of the country's territory. It has not gone unnoticed that, after proclaiming Kuwait to be their 19th province, the Iraqis did not incorporate southern al-Rumaylah and the two islands in this province but administratively joined them directly to Iraqi territory.

This kind of "compromise" involving the partition of the country and a territorial reward for the aggressor is unacceptable to the Kuwaitis. But time is passing; the third month of the occupation is coming to an end. The statement issued by the Kuwaiti People's Congress in Jeddah carries an appeal to the Security Council to adopt a resolution giving the world community the right to liberate Kuwait by any means. It is, of course, talking about expelling the Iraqis by force.

But what are the Saudis' thoughts on this? Middle-ranking officials with whom I talked unanimously voiced misgivings that war may break out within the next few weeks. At the same time they expressed hope that the Americans will display restraint and wait for the economic sanctions to compel Baghdad to retreat.

Well, that outcome would be far more preferable than a destructive war with unforeseeable consequences. At any rate there is no unequivocal answer as yet to the question of what lies ahead—war or peace.

Jordanian Position Examined

PM2210101990 Moscow PRAVDA in Russian 22 Oct 90 Second Edition p 5

[Article by PRAVDA correspondent A. Stepanov: "Between the Hammer and the Anvil Is How Jordan Feels, scorched by the Crisis in the Persian Gulf"]

[Excerpts] Amman, October—"Although it is Iraq which is under siege we are suffering more than anyone"—that was what my Jordanian interlocutors said almost unanimously, anxious to stress the frankly complex situation in which this kingdom has found itself as a result of the crisis in the Persian Gulf. Problems of the most diverse nature have arisen. Thus, on the eve of the Iraqi troops' 2 August invasion of Kuwait, Iraq accounted for almost half Jordan's exports. If to this we add that about 90 percent of local oil consumption needs were met by deliveries from Iraq, under highly preferential conditions, it is not hard to imagine how closely Jordan was linked with its neighbor and the scale of the harm caused to its economy when these ties began to be broken. But that is far from all.

A wave of refugees from Kuwait and Iraq is sweeping across the kingdom. As of early October they numbered 650,000. Already over a quarter-million Egyptians and Sudanese have sailed home on steamboats from Al-'Aqabah port on the Red Sea with the possessions they have managed to bring with them. The remaining refugees, mostly from India, Sri Lanka, Pakistan, and the Philippines, will have to be evacuated by air.

In all there are about 40,000 refugees in the tent camps specially created in Jordan. This is a fairly stable level since each day several thousand people arrive in the country—approximately the same number as leave. [passage omitted]

In the next few days a further 150,000 or so refugees are expected to arrive in the country. Sooner or later their influx will end but what about the intensifying flow of Jordanian citizens, mainly of Palestinian origin, returning from Kuwait and other Persian Gulf states, whose numbers now reach 700,000? After all, unemployment now encompasses 15-20 percent of the workforce.

Local economists have come to the unreassuring conclusion that this year the Jordanian economy has a shortfall of $2.7 billion. That is over 80 percent of the GNP. And there is no longer any hope that these losses will be compensated in some way by the 150,000 Jordanians who worked in Kuwait.

The country is on the verge of financial catastrophe, Prime Minister M. Badran has stated. [passage omitted] In the search for a way out of the difficulties people here are seriously hoping for aid from the world community which might compensate for the colossal losses resulting from the curtailment of economic ties with Iraq. [passage omitted]

Amman is also incurring considerable losses from its special position both with respect to Iraq's occupation of Kuwait and with regard to the concentration of foreign troops in Saudi Arabia. The official attitude toward the crisis which has erupted in the Gulf. Jordan opposes Iraq's annexation of Kuwait but categorically objects to the presence of considerable foreign military contingents, primarily American, on Arab soil. It insists on a peaceful solution to the conflict within the framework of the Arab world and its close linkage with the solution of the Palestinian problem.

The kingdom has undertaken to observe the economic sanctions against Iraq introduced by the UN Security Council, but it is openly voicing its sympathy for Iraqi President S. Husayn. On the streets of the capital and in many offices you can see posters with big portraits of King Husayn and the Iraqi president. Large meetings and gatherings are being held throughout the country, organized by people's committees in support of Iraq and the intifada—the Palestinian uprising on the occupied lands.

The Jordanian press is unambiguously expressing solidarity "with the struggle of the Iraqi people and their hero-president against U.S. and Western imperialism for the honor, dignity, and unity of the Arab nation and against the accomplices of imperialism in the Arab world." You form the impression that a number of local press organs are deliberately kindling pro-Iraqi and pan-Arab sentiments.

It is not surprising that all this is causing serious dissatisfaction in neighboring Saudi Arabia and perplexity in the West, for whose aid Amman is hoping so much. Riyadh has already stopped oil deliveries to Jordan, although Saudi Arabia had undertaken to supply half the country's liquid fuel needs as compensation for the halting of deliveries of Iraqi oil. This step has greatly aggravated economic difficulties here.

In talks with Jordanian officials, journalists, and ordinary people who are trying to comprehend what is happening, I frequently heard, with small variations, the following view: "The Arab masses have lost hope that the world community will help to restore the legitimate rights of the Palestinian people and curb the Israeli aggressors. The numerous lives lost, so far in vain, during the intifada also make them bitter and despairing, as does the inadequate aid to the general Arab cause from the Near East oil-extracting countries, which prefer not to share their colossal financial resources with their Arab brothers but to invest them in the Western economy. In the Arab world the "man in the street" links with S. Husayn the hope of the liberation of the Arab

territories occupied by Israel and the hope that petrodollars will be used primarily in the interests of the Arabs themselves. [sentence as published].

I have also heard the following assertions: "We are prepared to lose even several million people in the holy war against the West and its henchmen but defend our dignity and right to independent development." Sometimes exceeding any norms of decency, a number of local newspapers, in particular SAWT AL-SHA'B, obviously counter to the official line, are making gross libellous attacks on the Soviet Union and its leadership. You sometimes form the impression that they are even awaiting a war as some kind of panacea for all ills, but they unambiguously place the blame for launching it on colonialism and on a plot against the Arab nation headed by the United States, which they claim has recently also been joined by the Soviet Union.

Incidentally, King Husayn, who is striving to find a way out of the situation that is acceptable to all, warns of the catastrophic consequences of a military clash. But it is extremely hard to persuade the "man on the street" or the local intellectuals who speak in his name—the wave of long-curbed emotions is so far stifling common sense. And the consequences may indeed prove upredictable.

This can be felt particularly in the Kingdom of Jordan where the lines of force of the multipolar Arab world have come together. And retaining a balance here is no simple matter. The real dangers include the constant threat of an Israeli invasion with a view to implementing the so-called "Jordanian option" for resolving the Palestinian problem, that is the formation of a Palestinian state not on the West Bank but on the Eastern, Jordanian, bank of the river Jordan. There is also the Palestinian factor, inasmuch as a good half of Jordanian citizens are Palestinians. There are also the "Muslim brothers" organizations which are gathering strength and exerting increasing influence on the authorities. There is the dependence on economic ties with Iraq and the reluctance to be at odds with rich Saudi Arabia, and an awareness of the need to retain good relations with both camps of the now deeply split Arab world. And there is the desire to gain substantial aid from the West and at the same time not to abandon Arab nationalism. There are also the traditional friendly relations with the USSR and at the same time the pressure from circles which are prevented from seeing the altered world by the stereotypes which have formed over decades.

Will the kingdom succeed in resolving so many complex equations at the same time or will it become one of the first casualties of the consequences of the Iraqi adventure? The Jordanians themselves must primarily give the answer to this question.

Iraqi Invasion Report Termed 'Fabrication'

PM2010235990 Moscow RABOCHAYA TRIBUNA in Russian 21 Oct 90 p 4

[Unattributed article under the rubric: "24 Hours: News Item, Fact, Commentary": "USSR Defense Ministry Denial"]

[Text] IAN has received a letter from Army General M. Moiseyev, chief of the General Staff of the USSR Armed Forces, requesting that a USSR Defense Ministry rebuttal be circulated.

RABOCHAYA TRIBUNA published a report circulated by IAN on 14 October 1990 that prior to the Iraqi invasion of Kuwait Soviet military intelligence had allegedly issued warnings regarding the possibility of aggression, but that the USSR Defense Ministry considered this prediction a case of "playing safe" and did not inform the country's political leadership. This report is a fabrication from beginning to end and does not accord with reality.

TASS Reports Iraqi Troop Movement in Kuwait

LD2110174590 Moscow TASS in English 1718 GMT 21 Oct 90

[By TASS correspondent Viktor Lebedev]

[Text] Abu Dhabi October 21 TASS—Over the past two days, Iraqi troops moved to north Kuwait, the AL-KHALIF newspaper reports today.

Hundreds of tanks and armoured personnel carriers moved to Al- Mitlaa hills and north of the town of Al-Jahra. Troops have been pulled away from circular roads five and six. They have left some major control posts and positions.

Army movements were conducted only at night. Concentration of troops was registered near the settlement of Al-Wafra.

According to the newspaper, the movements might be explained by tactical considerations.

East Europe

Official Not Optimistic About Oil for CSFR

AU1810155490 Prague CTK in English 1715 GMT 16 Oct 90

[Text] Moscow Oct 16 (CTK correspondent)—The Soviet President's spokesman Vitaly Ignatenko said here today that he has no optimistic news on prospects of raising oil supplies to Czechoslovakia, but added that Mikhail Gorbachev has asked the Soviet Government to pay serious attention to the problem.

According to Vitaliy Ignatenko, the Soviet president does not shun a meeting with Czechoslovak President Vaclav Havel. Useful talks will be conducted by the two

heads of state during the Budapest session of the Warsaw Pact Political Consultative Committee on 3 November, the spokesman said and added that Czechoslovak Premier Marian Calfa is expected to arrive in the Soviet Union.

The Czechoslovak-Soviet contract on oil provides for a total of 16.6 million tonnes of the Soviet fuel to be supplied to Czechoslovakia this year. However, the quotas started to dwindle already in the first half of this year (they were 1.024 million tonnes short of the plan), resulting in a gasoline crisis in Czechoslovakia due to which prices have doubled since July to 16 korunas for 90-octane gasoline and 18 for 95-octane gasoline.

The situation further aggravated in connection with the Gulf crisis and the failure of the USSR to supply even the daily technological minimum of over 30,000 tonnes of oil.

In connection with these developments, Czechoslovakia's leaders decided on 4 October to ask for a meeting with their Soviet counterparts. It has not yet taken place. Meanwhile the Soviet Union has promised to supply the technological minimum at least. Moreover, Czechoslovakia has bought some gasoline from the Soviet Union for world prices, paying in hard currency (the 1990 contracted supplies are payable in rubles). An agreement has been signed with the Tyumen region of the Russian Federation on the supply of 500,000 tonnes of oil (which will cover the consumption of ten to fourteen days) by the end of this year in exchange for Czechoslovak consumer goods.

Other ways are also sought to tackle the shortage of oil in Czechoslovakia, for instance, with supplies from Iran for hard currency.

Anti-Communist 'Witch-hunt' in CSFR Cited

LD1910230990 Moscow Domestic Service in Russian 1930 GMT 19 Oct 90

[Commentary by Vladimir Taranov]

[Text] For the first time in Czechoslovak history a civilian is at the head of the Defense Department. A press representative of the presidential chancellery has noted that the decision on the removal of General Miroslav Vacek from the post of CSFR defense minister was made on the strength of results of a special commission which studied the activities of top Army officers during the November events of 1989, and also in connection with the fact that in all democratic countries the post of defense minister is occupied by a civilian.

However, these and other arguments justifying the removal of General Vacek from the post of minister of defense look hardly convincing. In reality Miroslav Vacek, a military cadre, who had travelled the path from junior officer to Army general, stood in the way of those who consider that Czechoslovakia can get by without an Army and that the Armed Forces are the last bulwark of the communists. Miroslav Vacek resolutely defended the Army's interests and openly declared that he would not change his convictions to conform with the current political situation.

Today the strengthening of right-wing extremist trends is evident. Many members of the Federal Assembly of the CSFR consider that the Army, police, and all state bodies should be immediately purged of communists. It is expected that all former communists, and graduates of Soviet higher educational establishments and higher party schools will be sacked from all state bodies on the pretext of staff cuts. The new wave of the anti-communist campaign in the CSFR is accelerating. The right-wingers in Czechoslovakia have long demanded the resignation of Defense Minister Miroslav Vacek. Incidentally, their main argument was that if a military coup takes place soon in the Soviet Union, then it is not clear how the pro- communist leadership of the Czechoslovak Army, whose loyalty President Havel is not completely sure of, would behave.

In the country a shift in public mood to the right is evident. Reflections on democracy continue, but, in practice, witch-hunts against communists and those who do not agree with the line of the present CSFR Government are being carried out. The demand of the rightists to declare the Communist Party illegal no longer seems unrealistic today.

TASS Notes Shake-up of CSFR Interior Ministry

LD2010123390 Moscow TASS in English 1055 GMT 20 Oct 90

[By correspondent Igor Shamshin]

[Text] Prague 20 October TASS—It was reported at a meeting of the Czechoslovak Government on Thursday that Czechoslovak Deputy Interior Ministers Andrej Samala and Miroslav Kral resigned. Broad reorganization of the Interior Ministry was also reported at the meeting, the CTK News Agency says.

The Interior Ministry intelligence section was disbanded on orders from Interior Minister Jan Langos. Section head Radovan Prohazka was appointed head of a section disbandment commission.

Some 600 staff members of the section were transferred to the so-called Interior Ministry active reserve. To prevent staff members from manipulating documents, they are forbidden to enter the intelligence section building, the CTK agency notes.

Central Committee's Kuptsov Visits Prague

PM2110134190 Moscow PRAVDA in Russian 20 Oct 90 Second Edition p 5

[TASS report: "Meetings in Czechoslovakia"]

[Text] V.A. Kuptsov, CPSU Central Committee secretary, was in the CSFR [Czech and Slovak Federal

Republic] 15-19 October in accordance with the accord between the CPSU Central Committee and Czechoslovak Communist Party [CPCZ] Central Committee leadership.

In Prague he had conversations with V. Mohorita, CPCZ Central Committee first secretary, and the leadership of the Czech and Moravian Communist Party, and in Bratislava with the leadership of the Slovak Communist Party; he also had meetings at CPCZ parliamentary deputies' clubs, at regional party organizations, and with the Bratislava party aktiv.

They took place in an atmosphere of comradeliness and made it possible to conduct a thorough exchange of information regarding the features of CPSU and CPCZ activity under current conditions. The activation of and increase in the level of CPSU-CPCZ ties were noted with satisfaction, and the interest in enriching and deepening them was underlined.

The CPSU Central Committee secretary declared Soviet Communists' solidarity with their Czechoslovak comrades, who are upholding their right to full participation in sociopolitical life on the basis of the principles of democracy and pluralism.

Yakovlev Addresses Conference on East Europe

LD2010053890 Moscow Television Service in Russian 1800 GMT 19 Oct 90

[Report by unidentified correspondent on the opening of a conference on East Europe in Moscow on 19 October, including remarks by USSR Presidential Council member Aleksandr Yakovlev; from the "Vremya" newscast]

[Excerpts] [Announcer] An international conference—Transformations in East Europe: the View from the Left—opened today in Moscow.

[Correspondent] This is the first meeting of eminent representatives of left wing forces in Europe since the historic changes of 1989-1990 in the east of the continent, changes for which the left found itself effectively unprepared—while the tempestuous process of change has exerted, and continues to exert, tremendous influence on the destinies of Europe and the whole world. The work of the conference began with an address by Aleksandr Nikolayevich Yakovlev, member of the USSR Presidential Council. Among other things, he said:

[Begin Yakovlev recording] I am convinced that with the start of the changes in East Europe, the historical prospects for the left alternative are substantially broadened. It is possible—indeed in my view essential—to speak of the inevitability of the birth of a new socialism. The socialist idea, freed once again from the oppresive, leaden, crushing weight of the command and administrative system, is in a position to acquire new content, a new essence, and honestly crown itself with life.

The problems of mankind not only have not been resolved; on the contrary, they have grown much more acute. And they have to be resolved for the sake of mankind and on a collective basis. Things cannot be otherwise. [end recording] [passage omitted]

West Europe

Primakov Visits With High-Level UK Officials

Meets Foreign Secretary

LD2010133490 Moscow TASS in English 1316 GMT 20 Oct 90

[By TASS correspondent Dmitriy Voskoboynikov]

[Text] London October 20 TASS—Soviet President Mikhail Gorbachev's envoy Yegeniy Primakov, a member of the Presidential Council, today met British Foreign Secretary Douglas Hurd to discuss the Gulf crisis.

Primakov told TASS that he reaffirmed the Soviet Union's "unconditional commitment to the implementation of the Security Council resolutions" during the meeting, but pointed out that his country would seek to prevent a military conflict in the Gulf.

A British Foreign Office spokesman told TASS that the sides had a "very full exchange of views" during their one-hour meeting and that Primakov briefed Hurd on his talks with Iraqi President Saddam Husayn and subsequent consultations in Rome, Paris and Washington.

Primakov is expected to discuss the Gulf crisis with Prime Minister Margaret Thatcher at Chequers, her country home, this afternoon.

Talks With Thatcher on Gulf

LD2110174690 Moscow Domestic Service in Russian 1600 GMT 21 Oct 90

[Text] The visit to Great Britain by Yevgeniy Primakov, the Soviet president's special envoy, featured a search for ways to peacefully implement the UN resolution. This is what our correspondent Aleksandr Malikov reports from London:

[Begin Malikov recording] At the British prime minister's country residence, Chequers, the conversation lasted for nearly two hours. As far as can be judged from press reports, Thatcher did not change her uncompromising position regarding Saddam Husayn. He has driven himself into an impasse, she stressed, and can only get out of it by leaving Kuwait without any preconditions. Of course, bargaining with an aggressor is inappropriate. History has repeatedly shown the disastrous results of attempts to appease an aggressor in one way or another.

The Soviet envoy agreed that the aggressor should not be rewarded. Nevertheless one cannot shut the door on the

chance of removing Iraqi troops from Kuwait by collective effort and without bloodshed. The collective realization of the fragility of peace and the preference of peacemaking efforts prove that the structure of the new international order should be protected, and the way events are now developing in the Persian Gulf region shows that it is time for Saddam Husayn to do his part toward peace in the region, especially as there are no obstacles to this apart from his own ambitions and selfish considerations. [end recording]

Primakov Comments

LD2010192590 Moscow Television Service in Russian 1800 GMT 20 Oct 90

[From the "vremya" newscast]

[Text] We start the foreign part of the program with a report from London. There was a consultation here today about the situation in the Persian Gulf between British Foreign Secretary Douglas Hurd and Primakov, special representative of the president of the USSR, member of the Presidential Council of the USSR.

After the talks, Yevgeniy Primakov said the followiong in an interview with your "Vremya" correspondent:

[Begin Primakov recording] We have had a meeting with the foreign secretary in the framework of the consultations that are currently under way on the difficult and very complex situation in the Persian Gulf. Soviet policy is to carry out unconditionally all the decisions of the UN Security Council until they have a result, but at the same time to try to do everything without bringing matters to an armed clash, so to say. The talks took place within that framework. [end recording]

Yevgeniy Primakov also met today with Prime Minister Margaret Thatcher.

There was an exchange of opinions on the situation in the Persian Gulf region. Comrade Primakov informed Thatcher of his meeting with Saddam Husayn, the president of Iraq, and also with his subsequent consultations in Rome, Paris, and Washington.

TASS Reports Luxembourg Premier's Visit

Arrives 21 Oct

LD2110165990 Moscow TASS in English 1626 GMT 21 Oct 90

[By TASS diplomatic correspondents Lyudmila Shvedova and Andrey Pershin]

[Text] Moscow October 21 TASS—Prime Minister Jacques Santer of Luxembourg today arrived in the Soviet Union at the invitation of the Soviet Government.

The state flags of the two countries were hoisted at Moscow's Sheremetyevo-2 Airport. The ceremony was attended by Soviet Prime Minister Nikolay Ryzhkov.

"We consider the visit as a part of our new policy in relations with European countries, were Luxembourg is playing an active role in political and economic affairs," Soviet Deputy Foreign Minister Vladimir Petrovskiy told TASS.

"We hope that the visit will boost the development of relations with Luxembourg. There are grounds to believe that the prime minister's talks in Moscow will be fruitful. The sides are expected to discuss bilateral relations, including trade and economic ties," he said.

Petrovskiy said the sides will also discuss the development of the all-European process.

According to Luxembourg's Ambassador to the Soviet Union Hubert Wuerth, his country attaches great importance to the visit and the prime minister's meetings with the Soviet leadership. He said they will discuss a wide range of problems, including the activities of the European Community.

Holds Talks With Ryzhkov

LD2210110190 Moscow TASS International Service in Russian 0951 GMT 22 Oct 90

[By TASS diplomatic correspondents Lyudmila Shvedova and Andrey Pershin]

[Text] Moscow, 22 Oct (TASS)—This morning a one-to-one conversation was held in the Great Kremlin Palace between Nikolay Ryzhkov, chairman of the USSR Council of Ministers, and Jacques Santer, chairman of the Luxembourg government. Then Soviet-Luxembourg negotiations began in extended form.

Jacques Santer arrived in Moscow yesterday on an official visit at the invitation of the Soviet government. This is his first visit to the Soviet Union.

USSR deputy foreign minister, Vladimir Petrovskiy has told your TASS correspondents that an important place at the Soviet-Luxembourg negotiations would be occupied by matters of bilateral relations, primarily trade and economic relations, as well as the development of cultural relations. Problems of international politics will also be discussed, among others, regarding the strengthening of the pan- European process as a whole. He underlined that there are grounds for counting on the success of the Moscow talks.

It is expected that the exchange of opinions on issues of bilateral and international relations will be continued after this afternoon during a conversation between Mikhail Gorbachev and Jacques Santor.

During the visit, a ceremony of signing of Soviet-Luxembourg documents will take place.

Signs Agreements

LD2210132190 Moscow TASS International Service in Russian 1139 GMT 22 Oct 90

[Text] Moscow, 22 Oct (TASS)—Talks were held in the Kremlin today between Nikolay Ryzhkov, chairman of the USSR Council of Ministers, and Jacques Santer, the prime minister of Luxembourg, who is in the Soviet Union on an official visit. They had an amicable and motivated exchange of views on topical problems being tackled by the world community at the present juncture as it enters a new phase of its history.

Particular attention was devoted to the development of the European process. Both sides emphasized the importance of the all-European summit meeting in Paris in November at which a number of major political decisions are to be taken in connection with the formation of new security and cooperatin structures in our continent. The mutual conviction was expressed that this meeting should mark an important stage on the path of building the "common home," the results of which could substantially spur Europe's progress toward the new era.

Both sides noted the importance of tapping the great potential for cooperation between the USSR and the European Community in the political and economic spheres. Nikolay Ryzhkov stressed that the USSR is satisfied with the EEC's understanding of the Europe-wide and worldwide dimension of Soviet perestroyka. The Soviet side welcomed the decision by the European Council in Dublin on its readiness to render financial and economic assistance to the reforms in the USSR. The hope was voiced in this connection that in the near future, with Luxemburg holding the presidency of the European Community from 1 January 1991, the community's ties with the Soviet Union would be energetically furthered.

The head of the Soviet government told of the measures taken to stabilize the country's economic situation and to democratize its socio-political life. Taking into account the Soviet Union's ongoing transition to the market economy, the Soviet side expressed interest in a number of plans for economic cooperation put forward by EEC countries. The desire of the EEC to provide specific assistance in this sphere is highly appreciated.

Discussing other problems, Nikolay Ryzhkov and Jacques Santer noted that only the new situation in East-West relations and, in particular, on the European continent has allowed the majority of countries of the world community to display unity in approaches to resolving such acute problems as the crisis in the Persian Gulf area, the escalation of which could have serious consequences not only for that region but also for the international situation on the whole. Life demands the soonest solution of the whole complex of near East problems, too.

The heads of government expressed satisfaction with the favorable development of Soviet-Luxembourg relations, which have deep historical roots and good traditions. The centenary of diplomatic relations between Russia and Luxembourg will be marked in 1991. The importance was stressed of rich political dialogue between our countries, which recently has acquired a stable character. The sides agreed to begin in the near future preparation of a protocol on regular political consultations through the Foreign Ministry channels of both countries.

Their development was noted during discussion of questions of commercial and economic cooperation. Opinions were exchanged on ways of intensifying and deepening economic interaction between the USSR and Luxembourg, of the broader introduction of new forms of its development meeting contemporary demands and taking account of the policy for the integration of the Soviet economy into the world economic complex. Jacques Santer expressed the readiness of Luxembourg to lend financial suport to the development of bilateral economic cooperation. They agreed on the possibility of market economy training in Luxembourg for Soviet specialists.

The participants in the talks came out in favor of the further development of cultural ties and contacts along all lines between the two countries. The Soviet side supported the idea of Luxembourg becoming a center of European culture in the future common European home.

When the talks ended, an agreement on international motor vehicle communications and a program of cultural and scientific cooperation for 1991-92 was signed between the government of the USSR and the government of the Grand Duchy of Luxembourg. The documents were signed on the Soviet side by Vladimir Petrovskiy, deputy minister of foreign affairs of the USSR, and Vitaliy Yefimov, minister of transport of the RSFSR, and on the Luxembourg side by Hubert Wuerth, ambassador of Luxembourg to the USSR.

Meets Gorbachev 22 Oct

LD2210143190 Moscow TASS in English 1419 GMT 22 Oct 90

[By TASS diplomatic correspondents Lyudmila Shvedova and Andrey Pershin]

[Text] President Mikhail Gorbachev and Prime Minister Jacques Santer of Luxembourg, on an official visit to the Soviet Union, met in the Kremlin this afternoon.

Greeting Santer in his Kremlin study, Gorbachev emphasised that the Soviet Union "attaches much importance to the visit by the Luxembourg prime minister in the context of the European process".

Santer congratulated Gorbachev on his being awarded the Nobel Peace Prize.

The meeting was expected to focus on Soviet-Luxembourg relations and the political dialogue between the two countries which has recently acquired a stable and fruitful nature.

Gorbachev and Santer were also expected to discuss various aspects of the European process and possibilities for cooperation between the Soviet Union and the European Community.

KGB Chairman Visits UK Businessman

LD1910192190 Moscow TASS in English 1843 GMT 19 OCT 90

[Text] Moscow October 19 TASS—Follows a report of the Public Relations Centre of the USSR State Security Committee.

"Vladimir Kryuchkov, member of the Presidential Council and chairman of the USSR State Security Committee (KGB), received on Thursday Robert Maxwell, a prominent British businessman and president of the Maxwell communications publishing concern. They had a useful discussion of a wide range of problems.

"Kryuchkov told Maxwell that at present the KGB was channelling substantial resources to the struggle against organised crime, smuggling, corruption, international terrorism and drug trafficking".

'New Generation of Treaties' With West Noted

LD1910180890 Moscow TASS in English 1726 GMT 19 Oct 90

["USSR's Contribution to United Europe—TASS Comment"—TASS headline; by TASS political analyst Albert Balebanov]

[Text] Moscow October 19 TASS—It has been officially announced that a Soviet-French treaty "On concord and cooperation" will be signed during Gorbachev's visit to France from October 28-29. This is not the only document that is now being drawn up by Soviet diplomats. Officials at the Soviet Foreign Ministry told TASS that similar agreements are expected to be signed with Great Britain, Spain and Italy.

The Soviet and West German foreign ministers are known to have initialled on September 13 a treaty on good-neighbourliness, partnership and cooperation between the two countries. It will be signed somewhat later.

This is a new generation of treaties between the Soviet Union and the West. Their distinctive feature is that they are being elaborated and signed in a new historical era after the cold war. Consequently, they have to record the present state and principles of bilateral relations and lay the foundation for their future development.

It goes without saying that the creation of a united Europe is the end goal of the drafted documents. This is their main feature. In addition to interstate relations, the documents focus on joint efforts to build a new europe and do away with the continent's division. They will lay down the principles governing our further progress towards a united Europe.

The scrupulous observance of international law, promotion of democracy, reciprocal respect of sovereignty, inviolability of national borders, reununciation of the use of force and threat of force in international relations, etc. are among the basic principles they envisage. This is very important, since it clears the way to broader contractual relations—the foundation for an all-European home, all the doors of which will be opened wide to neighbours.

Despite the new treaties' common goals, each has its own specific features. And this is perfectly natural since our bilateral relations with Western countries rest on specific traditions.

Thus, the Soviet-French treaty is expected to stress that both states regard each other not as opponents, but as friendly nations, that they intend to develop their relations on the basis of universal values and promote interaction in economy, science, technology, humanitarian and military areas. The sides will determine the scope of their global cooperation, too. They will hold regular political consultations and coordinate their actions in the event of crises.

The draft of the Soviet-Italian treaty is expected to provide for priority cooperation in industry so as to draw the Soviet Union quickly into the world economic system and into the process of building a single European economic entity that will guarantee the stability of the emerging all-European home.

In short, parallel to the mounting Helsinki process, our country is exerting vigorous efforts to develop its bilateral relations with all CSCE nations. It is pertinent to note that this course is being received with understanding by European leaders. Chairman of the Spanish Government Philippe Gonsalez said on Thursday that closer relations would be established during President Gorbachev's forthcoming visit to Spain not only in the economic sphere, but also in the most important political areas.

Supreme Soviet

Gorbachev Presents Economic Plan at 19 Oct Session

LD1910104990 Moscow Domestic Service in Russian 0800 GMT 19 Oct 90

[Report by USSR President Mikhail Gorbachev on "Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy", delivered to the USSR Supreme Soviet in the Kremlin in Moscow on 19 October—recorded]

[Text] Respected comrade deputies: In accordance with the instructions of the Supreme Soviet, you have had submitted to you the basic guidelines for the stabilization of the national economy and the transition to a market economy. A process of difficult quests is coming to an end. Today we will have to make a crucial choice. We simply cannot postpone a decision any longer.

The principal orientation and general logic of the document is the same as that in the program which I presented to you in September of this year. At the same time, since it turned out to be possible, the remarks of committees and commissions of the USSR Supreme Soviet and of people's deputies are taken into account here. Ideas submitted by Union and autonomous republics were studied carefully, as were the results of discussions in republican supreme soviets and material in the press. The results of meetings held recently with workers and peasants, cultural figures, economic, party, and trade union workers, were taken into account. The document was seriously amended after it was discussed at meetings with presidents and chairmen of republican supreme soviets and with the chairmen of the Moscow and Leningrad City Soviets. During the preparation of the Basic Guidelines, we had to take into consideration the new phenomena and recent processes.

The declarations of the supreme soviets of the Union republics, which have become a manifestation of the achievements of perestroyka and of the profound transformations that are taking place in our multinational state, have given a powerful impetus to legislative activity at all levels of power. But this process, which is, on the whole, positive, did not take place, and is not taking place, without cost—primarily, as far as the activities of executive power are concerned.

We know that not only the Union government but also the governments of the republics are encountering the negative consequences of centrifugal tendencies. In many cases, they turn out to be incapable of carrying out a consistent economic policy and economic mangement function. Hence the contradictory actions of the organs of power, the intensifying distortions, and the disintegration of the economy and of public life.

Here is just one illustration of that—perhaps the most convincing. The Russian Soviet Federated Socialist Republic [RSFSR] government, seeking to overcome the crisis in the procurement of agricultural produce, unilaterally raises the procurement prices of cattle and poultry. Such a decision runs counter to the 500 days program which by then had already been approved by the Supreme Soviet of Russia, which records a categorical demand for the cancellation of procurement and wholesale price rises—to say nothing of the fact that such a serious step was taken without consulting the center and the other Union republics.

The Union government, for its part, trying to find a way out of the situation that has been created, as it were, makes its contribution to destabilization by increasing the general level of procurement prices within the country.

As a result, the positive changes achieved this year to reduce the budget deficit, to bring about the recovery of state finances, came to nothing. A similar situation has taken shape with wholesale prices in general. As is known, in May the government informed enterprises of a new list of these prices. In expectation of the promised rise, the enterprises hardly concluded any economic contracts for the coming year. The threat of a mass rupture in economic ties became real. In these conditions, now even the president, under pressure from the situation, went about adopting the two decrees that you are familiar with. As a result, comrades, it turned out that at the stage of drawing up the program for the transition to the market, in failing to take a single major step toward bringing about a recovery in finances and strengthening the ruble, we seriously encouraged inflation. Naturally, this had an effect on the logic and content of the document submitted to you.

I would like to discuss why we rejected a detailed elaboration of the all-Union program for the transition to the market and submitted the Basic Guidelines. This is because there was a great deal of talk about this, including frivolous talk, superficial talk, and I think it is necessary to say a few words on this issue.

Back in September, during the discussion here in the Supreme Soviet, it was said that one should not set oneself the task of embarking on a detailed plan and timetable, calculated on a day-to- day basis. I do not see Comrade Burlatskiy here, but he was one of those who argued that point of view particularly extensively. First, it is simply unrealistic to draw up a program here in Moscow that would envisage in detail all the steps that should be taken— on a central, a republican, and a local level—and all the more so on the level of enterprises and working collectives. At that time, and following precisely the reasoning of the ideas expressed by the deputies, we calculated that it would probably be a mistake to decide everything beforehand here at the top, for the republics, the enterprises, the working collectives, and all of us.

We are well aware of what happens when living processes are made to conform to a standard as if on a procrustean bed. They have drawn this conclusion in many of the republican Supreme Soviets as well.

This was confirmed by a recent meeting with their leaders that I told you about. We need a document that will define the strategy for movement to the market, taking into account to the highest degree the particular features of republics and regions. It is better to formulate general principles and ways, having created prerequisites for the display of broad initiative in the republics and localities taking into account their own specific characters.

Where all-Union leadership is required—first and foremost monetary, financial, credit, and currency policy, main social guarantees for citizens, structural policy, reorganization of administration at the Union level—the line should be unequivocal, clear, and definite. Generally, we are saying that the president and the government, relying on agreed general principles, will be able to use the authority given to them flexibly, while within the framework of these general directions the republics will have the possibility to adopt and implement—with the necessary help from the center and in coordination with each other—their own programs for stabilization and transfer to the market. That is what I had to say by way of a short introduction.

Now once again about the market: Life itself has led to a transfer to a market economy. I will explain: We embarked on a road of radical economic reform because we understood that the administrative command system fetters all of society, people's work, and that of labor collectives. These forms of economic life and these attitudes to ownership that held sway in our country stifled people's initiative and enterprise. We had to return again to the initial slogans of October and to find ways to return people to the economy as master, as the lead character. It was this that led us to the central points of economic reform: the necessity to restructure property relations, to make people masters of the means of production, owners of their own output. And you must not order the masters about. They need a different economic environment in which they can function as subjects of the economy, and that environment is the full-blooded market. Through economic freedom we are moving logically to the market and to all that is connected with it.

A few words about the fears connected with the transition to the market. I think that here we must adopt a realistic position. This process is a complex and difficult one, and simplifications in this matter are impermissible and simply dangerous, both for us, the legislators and implementers, and for the whole of our society. We are going to have to rearrange the structure of the economy, and turn it toward people's needs, and we will have to radically change attitudes toward work. Quite evidently, the volume of production in some categories will be reduced. After all, at the moment quite a lot of output is produced which society simply does not need. Those who have become accustomed to wage-levelling and dependence on others will have a hard time of it. And the same goes for their opportunities to profit from the thriftlessness of the command economy.

People's fears of the unknown are understandable and natural. We have never lived in a normal market environment. We have extremely distorted ideas of the market. We know very well what the black market is, and profiteers, and collective and cooperative markets. We are familiar with the empty market of state trading, the market which is monopolized and without competition among producers for the consumer's ruble, without the competition to best satisfy his requirements. Competition here is stood on its head. People who stand in lines for hours for goods which have become in short supply through somebody's will, compete with each other. This creates a rich nutritional medium for the shadow economy, for profiteering, corruption, and organized crime. All of this acquires ugly forms in the panic-buying conditions which occur at present, before our very eyes. It is precisely the radical reforms which we are embarking on, the removal of the artificial barriers on the path to market relations, that will promote healthy competition, the filling of the shop shelves, the speeding up of technological progress, and will ensure the constant emergence of new, high-quality goods.

For all those people and collectives that know how to work and are capable of producing the products that people need, the transition to the market is a way of improving their well-being; an open road to the realization of one's own capabilities, enterprise, and creative potential.

At the present time, against the background of the serious economic difficulties that the country is experiencing, voices can be heard saying: Were we not too hasty in rejecting the administrative command system? Naturally, one could go on squandering the fatherland's natural resources, trying to prolong its agony, being reconciled to an ever-increasing lag behind the economically developed countries, extending the decline in the standard of living over a number of years, and postponing the present crisis a little. But it would be impossible to avert it on this path. I have to say this quite definitely. The time would have had to come, all the same, to atone for disregarding common sense and refusing to use such an instrument as the market which belongs to the whole of civilization.

Today, speculating upon the actual difficulties of the transition period, there are those who are summoning the people to turn back and are capable of leading the country into a historical impasse.

About ownership: There is an understanding in society that placing the economy totally into state hands has become outdated. And that is very important. That is a very important prerequisite for our subsequent work, for the adoption of important decisions. The question of in what ways the ownership relations should be reformed, of how we should get to forms that have diversity and equality of rights, remains an extremely acute issue up to the present time as well. The general principle that can and must be agreed upon at the level of the Union is recognition of the diversity and equality of rights of forms of ownership, the utilization of each of them in those spheres

where its potential opens up most fully. I think that we should state and can confidently forecast the fact that we are progressing toward a mixed economy. Proceeding from a sober assessment of the real situation, one can forecast that the conditions of modern production, the historical traditions, and the social environment will make for a predominance of public forms of ownership—share-holding, cooperative, and collective forms.

Taking account of our own and world experience, one can also speak with certainty of the vital role of state ownership. Wherever private ownership is competitive and produces a result it has the right to exist. People are concerned most of all by the issue of in whose hands will property be that has been accumulated through the labor of Soviet people over many generations. Will we not distribute it to bands of smart operators from the shadow economy? Society categorically will not accept this. We proceeded precisely from this premise while drawing up our program. The general principle according to which removal from state control and privatization should be conducted is that this whole enormous issue should be conducted with the participation of the working people themselves and, in the final analysis, in their interests. That is the main thing. And specific paths enabling us to make serious progress in the development of diverse forms of ownership will have to be sought in the republics and in the local soviets.

The eternal issue of ownership of land is particularly sensitive. Here one has to take account not of superficial stereotypes, but of deep national traditions and deeply rooted ideas of justice. While drawing up a program for the restructuring of land relations we are faced with feeling out paths that will enable the peasant to be made master on the land. The document proceeds from a recognition of a diversity of forms of economic management in the countryside, backed up by a diversity of forms of ownership. We consider it expedient to place particular stress upon the development of life-long leasing of land with the right of inheritance of land which creates wide-ranging opportunities for economic initiative and, at the same time, allows possible misuse and speculation of plots of land to be excluded.

We are speaking only of the general direction of the work. On the question of land, the people have the last word. This is the aspect of principle of the matter. But I do not think that anyone will dispute the fact that land reform needs to be started immediately through the efforts of the republics, on the basis of their legislation, so that its fruits might appear as soon as next year.

About another apprehension which is quite widespread in our public consciousness:

In moving toward the market, are we not rejecting socialism? I think the very formulation of that question by our people is indicative of a great deal and above all that—in spite of all the deformation, in spite of all the losses, in spite of the entire dramatic nature of the events that our people have experienced—the socialist idea is alive in people and has become deep rooted in them. People value the socialist ideal not because socialism is a fine word. It is associated with a society of social justice, equality, freedom, and democracy. One will only manage to provide all this in the event of our creating a highly efficient economy and making it more for the good of people. And we can only do this through the market. So, we are not striving after something declarative but after the real strengthening of socialism.

If it is a question of economic freedom, of displaying initiative, of a life in prosperity, of conditions in which the individual's potential is realized, does that not correspond to the ideal of socialism? The document submitted to you for examination contains specific steps in the direction of the actual realization of the socialist ideal, naturally, in circmstances when one does not mean barracks and levelling out by the word socialism.

At the beginning of my speech, I mentioned that both at the stage of elaboration and, even more so, at the stage of implementation of the chosen strategy, we must constantly be familiar with and take into account the realities of the development of our society. The most important thing here is the fact that we are living in a multinational state which is undergoing profound changes. Without taking into account the sovereignty of the republics, any program is destined to fail. Therefore, this topic is the central one in the Basic Guidelines.

I think that you will agree that the present period in the development of our society is and should be a transition from a rigid centralized economy, from the unitary state of the past, to the union of sovereign republics, to the new integrity of our federal state.

It is important here not to cross the line separating real decentralization and recognition of the sovereignty of the republics from the collapse of all state structures and chaos in the economy and in society. This is our common responsibility. I believe that in the document that has been presented to you it has been possible to achieve this balance. For the first time such wide-ranging rights for the republics are being enshrined on an all-Union level, including in the sphere of ownership, prices and incomes, the social protection of citizens, the formation and use of the budget, the development of a credit system, and in much else. They are becoming full subjects of state regulation of the economy, capable of adopting and implementing their own approaches and programs for specific action. But the main thing is to answer to the people for the effectiveness and correctness of one's actions. Rights delegated by the republics are being assigned to the Union, which are essential in order to safeguard the unity of the Union's economic space, to exploit the opportunities of wide-ranging economic integration, and the benefits of the all-Union market based upon mutual interest. Safeguarding the unity of the monetary, currency, and credit systems and of customs policy is not a whim of the center. The objective interest of all the peoples of our country lies here. It is precisely for this reason that we can and must resolutely overcome

relapses into imperial diktat and arrive at the adoption and implementation of decisions that have been coordinated with all the republics. For the market makes it possible to unite the peoples not by the dangerous force of arms but through reliable economic interest.

Now about the sequence of steps to stabilize the economy and for a transition to the market. I assume it is clear to everyone that a good number of years will be required to establish a full-blooded market machinery. The document that has been presented for consideration tackles the most difficult task of stabilizing the economy and creating the main market instruments. Essentially, we are talking about a period of transition. And it is most important of all here over a maximum of 18 months to two years to radically improve finances, stabilize the monetary system, and strengthen the ruble, and on this basis to ensure control over inflationary processes, the setting free of prices, the creation of conditions for economic involvement, and the bringing into effect of the mechanisms for the market's self-regulation. We should be extremely resolute here, otherwise everything we are doing will be in vain.

The contemporary market is neither arbitrariness nor chaos and the market is regulated throughout the world. Influence is brought to bear upon it through the budget, the tax systsem, through monetary-credit policy, through currency and customs legislation, by creating the conditions for the competition of entrepreneurial activity, and so on. It is not a matter of theory but a fact that has been confirmed by the experience of many countries. We also have our own experience, albeit a limited one. In the past, when commodity resources were being increased by 10 to 12 billion rubles per year, a stable level for the consumer market was ensured, albeit modestly. Now, at the start of the reorientation of the military industry, we have been able to raise the production rates of commodity resources to 25 billion rubles [R] in 1988 and to R37 billion in 1989, and, nevertheless, the situation in the market has categorically deteriorated, it has catastrophically deteriorated. The reason is clear. We have ceased to regulate this market in a rational way. We began to print several times more money than in the preceding years and we lost control over the financial situation in the country. These are the most serious slip-ups in our work over the perestroyka years. Nor will it be possible to eliminate the collapse of the consumer market for as long as the presses of the mint work faster than machine tools, equipment, and machinery that produce footwear, textiles, and other goods.

Securing the balance of the state budget is at present the foremost and the main task. It is only when we have resolved it that we shall succeed in mastering the levers of state economic management and acquire the possibility of conducting a well thought-out financial policy.

The USSR Supreme Soviet and the supreme soviets of the Union republics will now commence their hearings of the draft budget for the year 1990. It is precisely here that it will transpire immediately to what extent the efforts aimed at stabilizing the economy are serious and effective and to what extent they will make it possible to get on top of the situation.

One must live within one's means—this is the first commandment and one must learn to follow it. Enterprises of all sectors will be placed in harsh financial conditions. They will have to get out of the habit of thinking that the budget or, in the final analysis, the bank will always come to their aid, that they will rescue them and that they can count on having credits without payment and sometimes even credits that are permanent. Only three years ago we proclaimed a perfectly correct thesis: that the state is not responsible for debts of enterprises.

Unfortunately they have done nothing in practice to implement it. This must now become a law of economic life. As a matter of fact, having strengthened the ruble we will be able to remove from the shoulders of the state responsibility for the current economic links of the enterprises and set in motion monetary and market mechanisms which compel the production of those things that the consumer needs and that produce income and profit. But one has to be a realist. This problem cannot be resolved in a matter of months. In the very near future, therefore, in order to prevent a sharp slump in production, economic ties will have to be supported by administrative methods, too. Incidentally that is what has been done by all states in going through similar stages.

The opponents of the reforms, speculating upon the inevitable difficulties that are linked with them, frighten people by talking about a catastrophic reduction in the production of output and about mass unemployment. In the meantime, there is a strange combination in the country of a most acute economic crisis and a shortage of literally all the most important goods, with truly inexhaustible reserves making it possible to turn it into one of the wealthiest and most prosperous countries in the world. The administrative command system forced people to hide these reserves: It severely punished those who displayed economic initiative and enterprise. But the entrepreneur is the person who finds new opportunities for the effective use of resources and is a key figure of the market economy. He, indeed, is the person who, placed in the conditions of the market and competition, is able to set in motion the production potential that lies unused.

This is why it is so important to raise his prestige and to protect his rights reliably. First and foremost all provisions aimed against enterprise must be excluded from the legislation. That can be done quickly. It is much more complicated to overcome the stereotypes of social consciousness, in which the concepts of the entrepreneur and the criminal have turned out to be too closely intertwined. The sooner we achieve this the more substantial will be the advances in speeding up economic development and raising the living standards of the people.

Of course, the appropriate market infrastructure and institutions serving the work of a civilized market have to be formed in order to use the resource of entrepreneurial activity.

It is a matter of a system of commodity and stock exchanges, commercial banks, a broad network of wholesale trade enterprises, and all this has been provided for in the document submitted to you. The new social policy should, likewise, be in keeping with the changing economic conditions. Right from the very start, we must overcome the stereotypes that have taken shape and the established view of our society as some sort of all-Union social security department. The center of attention in social policy should be moving in the direction of enhancing the motivation for highly productive work by every person and we must understand that this represents the main condition for the growth of incomes. Each person who is unable to work has a right to count on society's help. Special programs of assistance for the socially vulnerable strata of the population—first and foremost for pensioners, the disabled, and families with many children—will be implemented. Renouncing the protection of enterprises, the state will protect people. Those who will have to change their jobs will have an opportunity of getting assistance in job placement, retraining, and so on. Those who do not immediately succeed in this will get benefits which will make it possible for them to make ends meet for a certain amount of time.

The question that worries us all is that of the retail prices. Of course, in market conditions, these must be mobile and must be determined by supply and demand. During the transition period, the state will do all it can to hold back the growth of retail prices of prime necessities.

Fixed state prices will apply for the most important goods here. During the price changes, pensions, allowances, grants, and fixed incomes, including those of teachers, doctors, scientists, servicemen, and employees of state institutions, will be indexed. That is, they will be increased in line with the growth of the value of the consumer basket. The success of prices policy will, above all, be determined by how effective our measures to stabilize finances and monetary circulation prove to be. The dynamism of wholesale and procurement prices will in large measure depend on them. The mechanism whereby the state will influence these prices is envisaged in the Basic Guidelines. But it must be spelled out in greater detail in government decisions, and the government is already working on this. The transition to the market objectively demands that economic relations with foreign countries be extended and raised to a new qualitative level. We must also bear in mind that the world market means stiff competition, high requirements for the quality of output, and punctilious fulfillment of obligations that are taken on. In order to break into it with more than just raw material resources, closely coordinated efforts and a well thought-out, purposeful structural and technical policy are required.

In our country we sometimes speak about ruble convertibility as something in the distant future to which it will take us almost decades to get. Meanwhile this is an extremely important mechanism which must start operating in the near future in order to ensure the breakthrough to integration in the international market.

Lively discussion, both in our country and abroad, is being held on the involvement of foreign financial resources at the stage of entering the market. Yes, we believe this is useful and necessary. And in this respect we have approached both individual countries and international organizations. Talks are at present being conducted. The first positive agreements exist which will be realized. However, there is no need to think that someone will resolve our problems for us, comrades. Nonetheless, it will make the course of economic reforms less painful.

Here at least two questions arise. [pauses] There is someone who constantly reads my report with me—Comrade Rakhmadiyev. Yes. He probably read my report. Well now, it is true that I finished it after midnight. This morning I worked on it some more. How he managed to do it, I do not know. Yes, well, let us go on.

Here at least two questions arise. First comrades, we are asked, with good grounds, and to our regret, with whom should we be dealing, how can one seriously conduct financial negotiations while relations among the Union repubics have not been regulated, and conflicts occur surrounding the conclusion of foreign economic contacts?

I have to say that when that is done jointly, when it is coordinated, it is one situation. That is the way things should be done. I think we are progressing toward that. But when I learn from bankers who send a copy of requests, when the essence of conversations and requests is sent by other governments and many of our visitors, and when it seems that everyone knows all about it, that everyone is conducting talks; that is not serious. That is how everything is perceived in the West. You should know that.

In general such a situation has taken shape of late. It is getting in the way. At a meeting with leaders of the republics last Saturday we spoke about this issue and agreed that there will immediately be a discussion about this—the budget and the plan, economic ties, foodstuffs, power production, and foreign currency, use of foreign currency, and foreign currency matters. Yesterday, Nikolay Ivanovich, together with the chairmen of the governments, started the conversation, and someone briefly reported to me—I think it was Comrade Pavlov in a night-time telephone conversation—that there is an understanding among the leaders of the republics that they need to unite their efforts and act in a coordinated manner, and not cause harm at this important stage to our foreign currency policy and our economic ties.

And the second thing. In making credits available, Western partners express concern about how effectively the resources they are investing will be used, and indeed instances of these credits being squandered are well

known in the world. These questions require solutions without delay and they must be under the control of the supreme state bodies.

Recently, I, too, have been thinking about this. If there is support from you, then it would be possible to think about and then afterwards perhaps to set up a special fund which would concentrate the financial resources coming in from the West and exert control over their effective use.

Two interlinked processes which will determine the fate and the appearance of our Union are now taking place. They are the transition to a market economy and the reform of our multinational state into a Union of sovereign states. Both of them dictate the need for a profound reform of state power and of the whole system of government.

Indeed, the structure of the organs and the delimitation of powers should be different, with a new role for the center and the imparting of real content to the sovereignty of the republics. In the course of political reform we should avoid a repetition of extremes under another name, as they say. At one time we were dealing with overcentralization. You see, the other extreme is no better, the threat of excessive decentralization and, as a consequence, arbitrariness and chaos in the economy, the replacement of the diktat of the center with the diktat of the republics and of the local bodies. This is already evident. What it produces is also already evident and clear. We are all concerned and—the main thing—the people are concerned.

In place of all power being in Moscow, a parade of sovereignties has come along. It has come on all levels, from the rural soviet to the republican organs of power. This has disrupted the normal functioning of the system of organs of power and administration. We need to restore authority on a new basis. It is intended to raise the significance of the Soviet of the Federation which could head the economic reform on the Union and republican levels and, in doing so, organize within the soviet an interrepublican economic committee. Why am I speaking of the Soviet of the Federation? Because, within the context of the work of all leaders of the republics, it guarantees, it coordinates, all issues of principle, and it will coordinate what is agreed here. Therefore, we must alter the nature both of the issues that are being discussed and the nature of its work, its regularity.

Significant amendments should be made to the structure and personnel of the government, having strengthened the representation of the republics in the union bodies of executive power.

What must also be restored without delay is the hierarchy of subordination of executive bodies at various levels. You already had such proposals in hand. I hope, comrades, that without tarrying, without putting things off, you will tackle them with due responsibility. I think that we all have already become aware that we will not attain any stabilization in the country without putting things to rights in this area. We should be guided in our practical actions by this understanding.

Comrade deputies, completing my speech I would like, in principle, to state my attitude to the speech by Comrade Yeltsin, chairman of the Russian Federation's Supreme Soviet. Incidentally, an appeal in this regard from a group of members of the USSR Supreme Soviet was sent to me as it must surely have been sent to you, too. I do not know whether you have sent it to everyone or not, but I did receive it.

[Lukyanov, interjecting] Yes, it has been circulated, Mikhail Sergeyevich.

[Gorbachev] Both as far as the moment that has been chosen to make the speech, and as far as the content of the speech is concerned, and as far as its tone is concerned, the speech lays claim to the role of a political declaration and for this reason it cannot go unnoticed.

What do I think about this issue? One can understand the concern and alarm of Comrade Yeltsin about the aggravated situation in the country's development and about the serious difficulties which it is experiencing. I believe that these are the feelings that possess us too. One cannot fail to share his opinions about the need to adopt urgent and extraordinary measures to master the situation. There are plenty of very acute problems awaiting a solution in the RSFSR and in the other republics of our country.

The striving of the Russian Federation's parliament and government to achieve positive changes in as short a time as possible is quite understandable. All this is as it should be and surely no questions would have arisen if it were a matter of seeking ways and methods of resolving all these problems, of appealing for social consensus, for the consolidation of all forces of society which are interested in the country's fate. Unfortunately, other, essentially confrontational motifs predominated in the speech. Sharp words replaced weighty arguments and proposals. And, indeed, just listen to the line of the speech, at such a level: the arbitrariness of the center, harsh confrontation, a lack of desire to strengthen the economic foundations and sovereignty of Russia, accusations of premeditated deception of the people. That is how they assess the document that has been presented.

What is altogether unseemly is to charge that the country's highest leadership ignores the interests of the 150 million-strong population of Russia. In their appeal, of which I spoke, the deputies ask how this unconditional and negative attitude toward the Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy can be understood, along with the assertions on the inevitable failure of the proposed road ahead—all the more so because these categorical appraisals were voiced several hours after the president had signed the document and without any discussion whatsoever in the RSFSR Supreme Soviet.

I even received information that some sort of speech was in the offing. It was being prepared in contradictory conditions. Some were against, others were for, but at the end of the day it is what we have here that has prevailed.

I fear that in this case Boris Nikolayevich has been let down by his consultants and advisers—let him sort them out himself. I think, comrades, that I have no need to provide an extensive reply to these assertions, since you have the document at your disposal and you had the opportunity to reflect upon all this, to read it, to reflect on it, study it, compare all of the document, all the more so following what I have already said in this connection.

You will surely agree that these assertions by Comrade Yeltsin are strange, to say the least.

The speech [word indistinct] stresses that the center proposes to carry out a complex of measures which will boost inflation again. There is some truth here and I did speak of this. But, after all, it is also a fact that, having adopted a decision on introducing meat purchasing prices ahead of schedule, the leading bodies of the republic in essence sharply boosted the acceleration of these processes in the country. Nor is it the only decision of this kind on the part of the Russian bodies of authority and government.

You know, I get the impression that to a certain extent the leadership of Russia gives up in the face of difficulties and that it wishes to shift the entire responsibility for possible difficulties and consequences—and, given this great and in-depth revolution of ours, they are inevitable—onto the central bodies of power. It is already, as it were, reserving moves for itself to retreat.

I think that it must—and that it is time for it to do so—shift the center of gravity in its work onto practical deeds. It is for this that we and, I hope, the peoples of the Russian Federation are waiting. When the issue of creating a coalition is raised so as to carry out the reform, it seems that it is legitimate for it to be raised. It has something in common with what we have been saying all the time and with what our society has been thinking about. But the way this issue is raised is in the form of an ultimatum. It is an ultimatum, we are all being given an ultimatum. A coalition engendered by an ultimatum is a strange coalition. What sort of coalition can there be? There is so much confrontational zeal and diktat in the way this has been raised that doubts arise as to the sincerity of these intentions.

Proposing to set up a coalition, Comrade Yeltsin got so carried away with this aspect of the matter and he so wanted to show the forceful path that, it seems, he even forgot that a further 14 sovereign republics exist within the Union. An impression is taking shape that it is not businesslike arguments that lie behind those negative views being expressed about the document which we are currently examining, but rather some other considerations; more likely than not political ones. I would like to be mistaken, but we must all realize that in the current, troubled situation it is immoral to turn the program for the stabilization of the economy which affects the life, the vital interests of the country, into the subject of political games. Its failure would not bring anyone any dividends, it would bring misfortune and suffering to all people. In short, I would like to call on everyone, both in the USSR Supreme Soviet and in the Russian Supreme Soviet, on all Soviet people, and on the supreme bodies of power in the other republics to accept the only sensible, justified path of action in the present circumstances: joint work for the implementation of stabilization, the policy of stabilization, and the transition to the market. In connection with this, on the possibility of forming political coalitions, I have already had to say on more than one occasion that the vital requirement of the present time is the consolidation of all democratic forces within society that are standing for its renewal within the framework of the socialist choice. This is not by any means a trite phrase but a specific proposal addressed to all political and public movements, and to organizations of the working- class, the peasantry, and the intelligentsia to cooperate.

Comrades, on this note I end my speech. Thank you for your attention.

Proceedings of 19 Oct Session Outlined

LD1910213290

[Editorial Report] Moscow Television Service in Russian at 1851 GMT on 19 October carries an 81-minute report, with recordings, of the morning and afternoon sessions of the 19 October USSR Supreme Soviet meeting held in the Kremlin in Moscow.

The morning session opens with Lukyanov chairing proceedings. He speaks about discussion of economic reform in the committees and commissions, and then introduces Gorbachev, who presents his report on Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy.

Following Gorbachev's address, Lukyanov suggests listening to reports from the committees that have been studying the guidelines. Vologzhin, chairman of the Economic Reform Committee says that the president's main guidelines have been closely studied, as have Aganbegyan's report and his answers to questions. He goes on to say that the creation of an interrepublican economic body and the enhancement of the Federation Council's role will help in the resolving of many problems.

The draft decision of the USSR Supreme Soviet is read, and the Supreme Soviet endorses the president's main guidelines and instructs executive authorities to implement them. Further clauses of the draft decision are then read.

At 1953 GMT Lukyanov calls for a vote on the adoption of the main guidelines as a basis. Voting is 356 in favor, 18 against, with 26 abstentions.

At 1954 GMT brief summaries and excerpts from speeches by other deputies are carried.

At 1959 GMT Ryzhkov addresses the deputies.

At 2006 GMT a summary of remarks by Ryabchenko, Kiselov, and Krayko on the positive attitude of communist deputies is carried. Other speakers are listed.

At 2008 GMT, the afternoon session is shown, with Lukin speaking on behalf of RSFSR Deputies. He explains the RSFSR decision to raise meat procurement prices, and goes on to say that he and his colleagues are in favor of a decisive left-center union for reform.

At 2010 GMT Lukyanov puts the draft USSR Supreme Soviet decision incorporating amendments submitted by committees to a vote: 333 in favor, 12 against, with 34 abstentions.

At 2012 GMT Lukyanov, on behalf of the Supreme Soviet, congratulates Gorbachev on his gaining the Nobel Peace Prize, at which point the report ends.

Ryzhkov Speaks in Support of 'Basic Gudelines'

LD1910183490 Moscow Domestic Service in Russian 1230 GMT 19 Oct 90

[Speech by N.I. Ryzhkov, chairman of the USSR Council of Ministers, at the USSR Supreme Soviet session in Moscow on 19 October—recorded]

[Text] Esteemed comrades, the decision adopted half a month ago by the USSR Supreme Soviet on elaborating a single document, given the situation that had arisen at that time, was fundamentally correct. In my view what has been achieved is not only a single but a qualitatively new document. It has included all the fundamental provisions from the programs which were discussed previously, but perhaps that is not the main thing.

The main thing is that the Basic Guidelines which have been presented make it possible to coordinate the actions of all the republics and Union bodies to stabilize the national economy and go over to a market economy. At the same time they open up broad prospects for each Union and autonomous republic and give them the opportunity to elaborate and implement specific measures taking account of the specifics of the local conditions. I think that this is the main thing in this program.

Of course, not everything in this material has been smoothed out. One could speak about insufficient elaboration of particular provisions. But I believe that the Basic Guidelines do not lay claim to being excessively specific and detailed. Perhaps one could even regard this as one of their advantages, since while determining the fundamental approach to setting up the market they at the same time create freedom of maneuver in implementing it for all management bodies, including those in the Union and autonomous republics.

And, evidently, it would be naive to think that we today, as we go over to market relations—and this is a process not of 500 days but a process which will go on for years, for years—that today it would be possible to prescribe everything, bearing in mind that all of these processes which lie ahead of us are to a large extent unknown to us. Assessing over and over again the situation which has arisen around the discussion of the problems of the transition to the market, I believe that the moment has come when it is necessary to adopt a program and to begin to act immediately. The people are tired of endless discussions and demand actions, decisive and effective actions.

Here the problem stands squarely in front of us. How are we to implement what is being proposed? And all the more since this difficult work has to be begun in an extremely unstable socio-economic and political situation. One has finally to call things by their correct names. The situation in the country is extreme. It has reached the point beyond which socio-economic chaos and the complete disintegration of political and state structures could begin. This process which has struck painfully at all spheres of our life, has had a particularly negative effect on the consumer market, on the living standards of the population, has aroused nihilism with regard to the law, a flare-up of crime and violations of law and order.

The system of power—and I am not afraid to say this because I am a part of the system of power—is, in essence, paralyzed. The economic arteries are being cut from the living flesh of our unified national-economic complex and only our deeply integrated economic organism can further withstand such a position. If we are really, in actuality and not just verbally, concerned with the fate of the country and the people, then we must unite our efforts for constructive practical steps, cast aside political and other ambitions, and attempts to vindicate oneself by casting onto others the blame for one's own incompetence and inability to resolve elementary questions of ensuring the livelihood of the population and the national economy.

It must be said completely frankly that anyone today who comes out against social harmony or who whips up passions is playing with the fate of people for the sake of his own personal ambitions. Surely it is clear that whipping up passions leads to destruction and violence. Violence is becoming a real possibility if the changes degenerate into chaos.

The program contains harsh and unpopular measures and they will not bring glory to those who implement them. But the government is prepared to implement them, as it understands that the future of our people depends on this. We understand that to shy away from responsibility now would mean to create additional difficulties and to give rise to an unpredictable political situation.

We are prepared to bear any attacks for the sake of one thing—social calm and people's prosperity. We request only understanding and support. For the country needs a period of stabilization just as it needs the air it breathes. We are all entering uncharted territory—do not take this to be a trivial phrase, for this is really so—in which mistakes and miscalculations are not only possible but probably even inevitable. If it happens in the future, as happens now, that each step is accompanied not by

constructive criticism but criticism for its own sake, then I assure you that not much progress will be made. In short, consolidation of efforts and solidarity make up the first and chief effort, the starting point from which movement forward should begin.

I would specify as the second but no less important condition the all-round and immediate strengthening of executive power from top to bottom. Without this, no precise organization of matters can be ensured, there will be no discipline and, consequently, no strict and precise order which is extremely necessary for such a very important transition. All world experience of radical reforms shows that without a strong and authoritative executive power, acting within the framework of the law and only the law, it is impossible to achieve success.

What specifically is meant here? First of all the strict and unconditional fulfillment of the laws adopted by the USSR Supreme Soviet and the Supreme Soviets of the Union and autonomous republics, the strict fulfillment of presidential decrees over the whole territory of the country, the binding force of decisions of the USSR Government, taken within the framework of its powers, for all bodies of executive power from top to bottom. At the same time it is necessary to clearly delineate the functions of the legislative and executive powers. Comrades, this is not the first time that I have spoken about this. I am more and more convinced of this. Until we do this, there will be no order in the country.

Soviets of all levels should not interfere in the operational and economic functions of enterprises and associations, destroy existing economic links, undermine contract discipline, violate the sovereign rights of labor collectives. One can cite many examples of this. I will cite just one. An extreme situation has now arisen with the supply of meat and dairy products, for example, to the inhabitants of Sverdlovsk, Chelyabinsk and Tyumen and some other industrial centers of the Russian Federation. The disruption of supplies of products led to the situation whereby over a nine-month period Sverdlovsk Oblast experienced a shortfall of 27 percent in meat supplies, Tyumen Oblast a shortfall of 16,000 tonnes of meat products, Chelyabinsk Oblast—7,000. Obligations for supplying them with products are not being fulfilled by Tatar, Mari, Mordovo, and Chuvash Republics and a number of krays and oblasts of the Russian Federation, and all of these, by the way, are in the Russian Federation. A similar situation has arisen with Moscow and Leningrad.

The government has been obliged in dealing with these regions to allow above-limit allocations of meat and other products from the state reserves and virtually emptied all the reserves and it also had to make additional import purchases. But all of this, unfortunately, does not compensate for the shortfalls by the main contractual suppliers.

But those who are obliged by virtue of their direct official position to resolve these questions are engaged in fruitless discussions and use these as a cover for their incompetence. What are needed now are actions, practical measures. And today there must be a high level of responsibility from all executive bodies at all levels. (?I have already spoken of) the need for strengthening executive power and responsibility of approaches in all (?management bodies).

The realities now are such that all the strength of authority both in the center and in the localities should be concentrated on the implementation of what has been conceived. It is impermissible now for any leader or politician to whom the people have granted great powers to deliberately predict the failure of the very first steps toward the market. We do not need political demagogy. We need the ability to organize things and to achieve a breakthrough. In short, it is time to think and to cease to present all of one's ideas and political lines as the voice of the people.

Comrades, the choice should be made today and the country's parliament should set its seal on it and on this basis there should be discussion of the essence of the practical measures for going over to a socially orientated economy. The measures of prime importance are undoubtedly stabilizing the national economy, improving the finances, normalizing monetary circulation and the consumer markets and strengthening the ruble. Among the urgent tasks of the immediate future I would also include completing the elaboration of the whole system of social guarantees and conditions for the transition to the market. We must give freedom to the strong and defend the weak.

Comrades, I would like to request another couple of minutes. [sounds of affirmation from the hall and the chair] Undoubtedly, the first place among the urgent measures is occupied by the task of very rapidly concluding the formation of the plan and budget for 1991. Yesterday the USSR Council of Ministers Presidium, with the participation of the leaders of governments of the Union republics, discussed this question. We came to the conclusion that if we did not begin without delay to implement the program of stabilizing the economy and going over to the market, then it would be impossible to draw up either a plan or a budget. This applies both to the republics and to the Union as a whole.

We have never experienced a similar situation with regard to the formation of a plan for the forthcoming year. Undoubtedly this has been affected by the dragged-out discussion of the choice of ways to go over to the market, and disagreements between the Union republics on a number of fundamental provisions of the development of the economy. It is to be explained to a large extent by the differences in production forces, the specific features of local conditions and starting prerequisite and regional characteristics.

The task is, in the interests of each republic and autonomous formation and also of the Union as a whole, to find decisions that would make it possible during the first stage of the transition to the market not to permit any further deterioration of the situation.

Comrades, I do not want to enter into a polemic with Comrade Filshin. I think that when Comrade Filshin was simply a deputy and often criticized everyone, that was one thing; but when Comrade Filshin is chairman of the Russian Soviet Federated Socialist Republic State Planning Committee I think that he should act more responsibly and not engage in just juggling many facts. [murmuring from the hall]

A particularly difficult situation has arisen, comrades, in the drawing up of budgets. It is an extremely complicated task to achieve a reduction in the total deficit to 2.5-3 percent of the gross national product. In the end we have to go over to shaping expenditures only in line with real income. Whether we like it or not we must all learn to do this, comrades.

We are already feeling sufficiently fully what it means to live in debt. We can no longer adopt decisions on the basis of the formula: it must be found. Now the main thing is that the budget for next year should be able to include the social programs which have already been adopted. Therefore, I must say with all frankness and responsibility that 1991 will be the limit of the decisions which we have adopted here.

And, finally, comrades, we must of course in the near future—and I hope that the program, or the Basic Guidelines, will be approved today—we must in the near future once again examine the structure of the government and create special bodies that are characteristic of a market economy, examine once again the structure of the existing government. It is necessary today to bring in, particularly into the new bodies, new young people with fresh strength. I hope that the goverment will be able to cope with the tasks with which it is faced.

As far as the draft decision is concerned, we have some small criticisms and we shall present them.

Gorbachev Opposes Amendment by Interregional Group

LD1910181490 Moscow TASS in English 1733 GMT 19 Oct 90

[By TASS parliamentary correspondents Ivan Ivanov, Vladimir Isachenkov, and Andrey Orlov]

[Text] Moscow October 19 TASS—Today seems likely to go down in history as the day the Soviet Parliament approved the country's move towards a market economy.

The parliament's decision ends many months of work on market reform, paving the way for radical economic restructuring. A total of 333 parliament members voted for the president's market plan with 12 against and 34 abstentions.

The Soviet president opened today's joint session, urging deputies to support the country's move to the market.

"We seek an actual rather than declarative strengthening of socialism," he said, adding that only the market can lead to it.

In his hour-long speech, the president stressed the need to take account of the sovereignty of republics, without which any programme of market transition is doomed to failure. Gorbachev urged republics and all public forces to consolidate for the benefit of stabilisation and joint efforts to solve the crisis.

Predictions by some journalists that the basic guidelines would spark keen debates fell through. All the main issues had earlier been discussed at meetings of committees and commissions.

Today was a calm day. Passions only flared at the end of the evening session, when the radical inter-regional deputy group tried to push through an amendment, effectively removing the current government from participating in economic reform.

Gorbachev resolutely spoke out against the proposal. "Pretending that there is no government or taking a negative attitude to it is not justified by the common interests of our society and the programme for market transition," he said. At the same time, the president admitted that implementing the programme will call for "cutting off and reconstructing obsolete organs, introducing new institutions, and making personnel changes if necessary."

"The government will make the relevant proposals," he assured the deputies.

The amendment was rejected by 247 votes to 67.

Parliament meets again on Monday to discuss a bill on the fight against speculation.

Lukyanov Signs Resolution on 'Basic Guidelines'

PM2110145590 Moscow IZVESTIYA in Russian 21 Oct 90 Union Edition p 1

["USSR Supreme Soviet Resolution 'On the Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy'"]

[Text] Having examined the Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy submitted by the USSR president, the USSR Supreme Soviet resolves:

1. To approve the Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy as a guide for urgent actions by all the country's state organs and economic organizations. That the USSR president and the USSR Council of Ministers, with the participation of organs of state power and management in the Union and autonomous republics, autonomous oblasts, and autonomous okrugs, ensure the practical implementation of the outlined program, with consideration during its fulfillment of the comments and proposals made by USSR people's deputies.

To pay particular attention to the implementation within the shortest possible period of the extraordinary measures to improve the economy and the consumer market, strengthen contractual and financial discipline and the circulation of money, improve foreign economic activity, develop all forms of ownership, and ensure law and order, social and environmental protection for citizens, cadre training and retraining, and well-organized interaction between USSR and republic state organs.

2. To recommend that the Union and autonomous republic supreme soviets, soviets of people's deputies in autonomous oblasts and autonomous okrugs, and all local soviets of people's deputies examine the questions of improving the economic position of the relevant territories and regions by concretizing and developing the Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy.

3. That the USSR president, the USSR Supreme Soviet Presidium, and the USSR Council of Ministers specify the list and organize the conception and adoption of draft legislative and other acts necessary for the implementation of the Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy. That USSR Supreme Soviet committees and the chambers' standing commissions participate in drafting the appropriate laws and other normative acts, primarily acts designed to increase citizens' social security, and also in supervising the fulfillment of measures to develop market relations. And that the question of the progress made in fulfilling the Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy be heard at the fall (1991) session of the USSR Supreme Soviet.

4. That, with a view to ensuring the population's broad familiarization with the outlined program, the Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy be published in the central and republic press. And that state organs, economic organizations, and mass media editorial offices be instructed to utilize every available opportunity to provide practical and intelligible explanation of the program for the transition to market relations.

5. The USSR Supreme Soviet urges soviets of people's deputies, labor collectives, political parties, mass public movements and associations, and all strata of society to display understanding, restraint, and civic and national accord, pool their efforts to persistently implement the measures for the stabilization of the national economy and the transition to a market economy, and eliminate everything that impedes the country's progress along the path of social renewal, democratization, and a worthy existence for every individual.

[Signed] USSR Supreme Soviet Chairman A. Lukyanov

Moscow, Kremlin, 19 October 1990

Academicians Hold News Conference on Economic Plan

LD1910141390 Moscow Domestic Service in Russian 1200 GMT 19 Oct 90

[Report by Andrey Nikifirov at the 19 October Supreme Soviet session at the Kremlim—live or recorded]

[Text] [Nikifirov] At the focus of attention of deputies at a joint sitting of the chambers of the country's Supreme Soviet today are the basic guidelines for the stabilization of the national economy and the transition to a market economy. As you know, USSR President Mikhail Sergeyevich Gorbachev spoke, and there has been a debate. At 1600, debates on a draft resolution will begin. But I will tell you briefly now about a news conference which is taking place here at this minute. Replying to journalists' questions are Academicians Abel Gezevich Aganbegyan, Leonid Ivanovich Abalkin, and Stanislav Sergeyevich Shatalin.

What preservation of the course for socialism can be spoken of if we are going over to market relations? That was the first question. Academician Abalkin replied to it thus: The market is an achievement of human civilization which has proven its viability and indispensability. The market does not bear the stamp of any sociopolitical system; it can merely be linked to this or that ideology. In connection with this I would like to recall the words used about this by Mikhail Sergeyevich Gorbachev in his speech. He put it this way: The idea of socialism is firmly linked in the public mind with a society of social justice. But such has been created. Hence, in transferring to the market, we are moving along the path of strengthening socialism.

When will the transition to the market take place? That was the next question. Academician Abalkin: What we are doing now is a transition to the market. It is merely the transition, the formation of a market; but it is clear that the total transition to market relations, when the structure of the national economy and people's psychology will be changed, will take at least 10 years and perhaps the life of one generation. That is the opinion of Academician Abalkin.

Adding to this, Academician Aganbegyan said this: We expect to pass through a stage of radical reforms in 18 months to two years. Then comes a prolonged period connected with the full establishment of a civilized market.

What is the deficit in the budget? How will a reduction of the deficit be made? Academician Abalkin replied to this thus: The aggregate budget for 1990 was confirmed at 60 billion rubles [R], and we will not exceed this budget by the end of the year. He is convinced of that. As far as next year is concerned, he said the government will be orienting itself toward the established parameters, that is, 2.5 percent to three percent of the gross national product, which amounts to between R25 billion and R30 billion. It is very difficult to achieve this, and to quote him, there will have to be cuts to the quick. Explaining what cuts to the quick mean, Academician Aganbegyan

expanded on what he said—it means reductions in expenditure on industrial construction, on maintenance of the state apparatus, on military requirements, the requirements of the KGB, and other expenditures.

A question to Academician Shatalin: What is his evaluation of the draft Basic Directions for the Stabilization of the National Economy and the Transition to a Market Economy which has been presented? He said that of course the draft prepared by the group of Academician Shatalin and Yavlinskiy is more to my liking than all the rest' but the situation has now changed. Mikhail Sergeyevich Gorbachev has said that this is the fault of both the USSR Government, of the RSFSR Government, and through his own fault—with the increase in wholesale and procurement prices in mind.

Can the situation be returned to its previous level? Unlikely, Academician Shatalin believes; but is the logic of the 500 days canceled? I do not think so, he said. It must not be buried, and it is there in these basic directions. The possibilities of price increases must be reduced as much as possible; and, as the academician has already observed on several occasions, all necessary measures at the state level must be exhausted in order to stabilize the situation. Right now we must calm down and see where we can progress.

The news conference continues. As I have already said, deputies will return to the hall at 1600 and discuss the draft resolution on the issue being debated.

Report on Academicians' Remarks

LD1910180290 Moscow TASS International Service in Russian 1540 GMT 19 Oct 90

[By TASS parliamentary correspondents]

[Text] Moscow, 19 Oct—As to the fact that it is essential to stop arguing about the merits and defects of the various programs and to begin agreed practical action to put into effect the president's document "Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy," Academicians Leonid Abalkin, Abel Aganbegyan, and Stanislav Shatalin, who took part in a news conference today, were of one mind. At a joint sitting of the chambers today, the Soviet legislature, having heard a report from Mikhail Gorbachev, approved the president's document.

"The most important thing is not the quality of the programs but the attainment of a common consensus and readiness to subordinate personal ambitions to the general good; to advance rather than get involved in confrontation," said Leonid Abalkin, deputy chairman of the USSR Council of Ministers. The same point of view was expressed by Stanislav Shatalin, the author of the 500 days program: "This is not a game of cards where you can break the bank and run away; we are talking about the fate of the people." In September, the USSR Supreme Soviet was unable to make a choice between the government and the Shatalin programs and it was then that Mikhail Gorbachev led the work on a synthesis option.

Commenting on the as yet unrevoked intention of the Russian legislature to begin implementing the 500 days program from 1 November, Abel Aganbegyan said that it does not contradict the president's document, which gives republics the right to develop independent programs for transition to the market.

Stanislav Shatalin was somewhat pessimistic in his assessment of the possibility of implementing his program in its earlier form. According to Shatalin, the decisions adopted first by the Russian and then the Union governments to increase procurement prices run counter to the logic of the 500 days and can no longer be rescinded. Moreover, the deterioration in the economic situation demands more rigorous stabilizing measures.

Leonid Abalkin categorically denied the claims of Russia's Vice Premier Gennadiy Filshin that the Union government is hampering the Russian government in its implementation of economic reform.

Answering a question about a possible increase in retail prices, Academician Abalkin emphasized that it was not a matter of an administrative price increase but of freeing retail prices from state control. He refused to specify precisely which consumer goods would be affected by this measure, saying only that it would not be essential goods.

Shatalin's Comments Detailed

LD1910222990 Moscow Television Service in Russian 1800 GMT 19 Oct 90

[Remarks by USSR Academician Stanislav Shatalin in response to an unidentified correspondent's question at a news conference during a break at the USSR Supreme Soviet session in Moscow on 19 October; Shatalin's remarks are broadcast in progress; first paragraph is announcer Sedov's introduction—recorded; from the "Vremya" newscast]

[Text] [Sedov] During the entire lunch break at the session, academicians Abalkin, Aganbegyan, and Shatalin answered correspondents' questions concerning the program for transition to a market economy. There were many questions from journalists, and these questions were often poles apart—from the problem of free residence permission in our country, to whether the present generation will see the fruits of perestroyka—and a market economy in particular. An American asked an academician to give a general assessment of the program for a transition to a market economy. Here is a part of his detailed answer.

[Shatalin] ...500 days program, which has been made by the working group, appeals to me more than any other programs. The situation in the country has changed over that short time during which this sitting of the legislature has been held.

The president said very clearly and accurately whose fault this was. Both that of the Union government and that of Soviet Russia, and of himself, since he issued decrees on wholesale prices and so forth. (?But it was necessary to adopt) the 500 days program. [sentence indistinct]

Imagine, well, all right, a delay of half a year is already a fact. New retail prices. Such an inflationary pace. Such wholesale prices. The end. It is already a live economy. [word indistinct] about which we are still talking. This is already [word indistinct].

I am sure that the president still has a package of measures which we will consider, if all possibilities of eliminating the budget deficit, of more or less normalizing the consumer market, of more or less bridling the money supply and if the laws do not function, it will be necessary even more thoroughly and even more resolutely to look at all the possibilities of the economy and all the possibilities for the country to live according to a normal honest law [as heard]. You can only live on what you earn yourself.

IZVESTIYA Reports 19 Oct Supreme Soviet Session

PM2010233390 Moscow IZVESTIYA in Russian 20 Oct 90 Union Edition p 1

[Report by IZVESTIYA legislature correspondents V. Dolganov and A. Stepovoy Kremlin: "Basic Guidelines Defined"]

[Text] Opening the morning sitting of the Union legislature 19 October, Chairman A.I. Lukyanov briefed those present on the previous day's discussion of the Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy at a joint sitting of a number of USSR Supreme Soviet committees and commissions.

USSR President M.S. Gorbachev was then given the floor.

V.M. Vologzhin, chairman of the Economic Reform Committee, took the floor on behalf of all the Union legislature's committees and commissions. He noted that the Basic Guidelines make use of all the positive elements contained in the programs submitted previously by Academician S.S. Shatalin and the government. The state sovereignty and equality of the republics have been taken into consideration along with, on the other hand, the interests of the Union, which forms a unified economic expanse for the functioning of the common market. While assessing the comments and proposals made by deputies during the sitting of the committees and commissions, V.M. Vologzhin also mentioned the existing imperfections, particularly on questions of privatization and land ownership.

All the USSR Supreme Soviet's standing formations, he pointed out, have approved the Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy. The speaker read out the text of the corresponding draft resolution which stipulates the ways of implementing the program for the country's transition to market relations. It proposes approving the Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy as an urgent practical action program for all the country's state organs and economic organizations. The USSR president and the country's Council of Ministers are instructed, with the participation of organs of state power and management in the Union and autonomous republics, autonomous oblasts and okrugs, to ensure the practical implementation of the outlined program, taking into consideration during its implementation comments and suggestions made by USSR people's deputies,

The draft resolution pays particular attention to the implementation within a very short period of extraordinary measures to improve the economics of the consumer market, strengthen contractual and financial discipline and the circulation of money, improve foreign economic activity, develop all forms of ownership, and ensure law and order, citizens' social security, and well-organized interaction between the state organs of the USSR and the republics.

In view of the fact that no committee or commission opposed the Basic Guidelines, A.I. Lukyanov inquired whether any deputies had any personal objections. There were no objections. Therefore registration was conducted once again, showing that there were 410 Supreme Soviet members present in the hall, and a vote to adopt the draft law as a base began. Some 356 deputies voted "for," 12 voted "against," and there were 26 abstentions.

The chairman read out a proposal from a group of deputies: The Basic Guidelines have been discussed extensively at committee and commission sittings and for that reason it is proposed not to start up a debate but to accept the document for execution in order to further matters without delay.

However, Deputy A.N. Saunin objected to this and reckoned that the opinion of the Union republic presidents, supreme soviet chairmen, and council of ministers chairmen should be heard, particularly those who disagree in some way with the proposed means of transition to the market. Otherwise we would have the traditional situation, the deputy said, whereby everyone agrees with everything during the consultations and preliminary meetings in Moscow, but people only have to go back to the localities and it turns out that the republics have their own view of the problems and their own ways of resolving them.

In this respect A.I. Lukyanov said that the leaders of all republics—not only Union but also autonomous republics—received cables from the USSR Supreme Soviet Presidium four days before the discussion suggesting that they speak, but none of them voiced a desire to do so.

There was also a proposal from the hall that the opinion held by Academician S.S. Shatalin and N.I. Ryzhkov, head of the Union cabinet, be heard with regard to the Basic

Guidelines proposed by Academician A.G. Aganbegyan's group and submitted by the country's president.

Thirty-three deputies had registered in good time to participate in the debate. Many of them pressed to be given the floor. So a debate began all the same.

People's Deputies K.S. Salykov, D.N. Kugultinov, and others who spoke before the first recess voiced their suggestions and comments with regard to both the text of the draft USSR Supreme Soviet resolution and the Basic Guidelines themselves.

'Reservations' on Economic Reform Measures Voiced

LD1910163490 Moscow TASS in English 1524 GMT 19 Oct 90

[By TASS parliamentary correspondents Ivan Ivanov and Andrey Orlov]

[Text] Moscow October 19 TASS—The Soviet parliament today approved by an overwhelming majority President Mikhail Gorbachev's guidelines for introducing market economy with reservations voiced concerning tactical measures to implement economic reform.

Gennadiy Kiselev, a Communist deputy, urged the government to prioritise measures of social protection of working people during the transition to the market. He noted that the satiation of the consumer market should be viewed as a cornerstone of economic reform along with greater freedom for the producer and greater independence for the union republics.

Chairman of the parliamentary legislation committee Yuriy Kalmykov said that he disagreed with the provision stipulating that legal control over the market would be exercised by Union republics alone.

Joint authority of the Union and the republics must serve as the basis for the legal regulation of the market, he said, "and the guidelines should say so."

Kalmykov proposed adopting at the Union level in the next few months a package of major regulatory enactments, including the fundamentals of civil legislation, laws on labour, social protection of citizens, credit and accounting relations, the fundamentals of anti-monopoly legislation, and laws of consumer protection and foreign economic activity.

Russia's Deputy Prime Minister Gennadiy Filshin said that "during the past three months, federal government agencies have launched several massive attacks against the rights and sovereignties approved by the Russian parliament and the Congress of Russian People's Deputies."

He said that the Russian parliament and government have been patient in their numerous attempts to consolidate with federal agencies. However, he said, "the opportunity for consolidation on the basis of the '500 days' plan, supported by the president and 14 republics was wasted."

The radical inter-regional group, on whose behalf Deputy Sergey Ryabchenko spoke, made its support for the president's plan conditional on two points: the guidelines should be viewed as a framework recommended to Union republics for compiling their own market plans, and the federal government should be reformed as "a government of popular confidence, of republican confidence."

Soviet Prime Minister Nikolay Ryzhkov took part in the discussion. He reaffirmed his readiness to reshuffle the government once again and create special agencies appropriate for a market economy.

Further on Aganbegyan's Response to Deputies

LD1910214390 Moscow Television Service in Russian 1950 GMT 18 Oct 90

["Response" by academician Abel Gazevich Aganbegyan to deputies' written questions on the economic reform program at the USSR Supreme Soviet session in Moscow on 19 October—recorded]

[Text] What is the mechanism for regulating and levelling out the starting conditions during the republics' transition to market relations?

Well first of all, a regional development and support fund is being established at the Union level. This will involve republics and individual regions. The second point is that in determining fixed prics for the most important items, it is intended—this is what the document says—to implement these prices through mutual consultation among the republics. We are not going to have a situation in which an uncle of some sort will determine your oil prices, everything goes up in price, but your cotton prices will be set lower by another uncle. No, you will have a joint meeting between those who sell oil and this republic, and those who sell cotton, and on the basis of reciprocal payments, and naturally utilizing the coordinating role of central bodies—and you will also bring in professionals, you will take them with you—you will attempt to ensure that things are economically fair.

In addition, every republic is going to select its own method of stabilization and transition to the market which will take due account of its distinctive features, and if necessary, will bring in additional measures to protect its population. Every republic will be able to bring in norms. The leaders of certain central Asian republics have said in speeches about their circumstances that it is very important at this difficult stage to ensure a certain per capita minimum in kind with regard to foodstuffs, fixing the level at such and such, and that this is the method they will adopt. That is their prerogative and it is permitted in the program.

Certain questions refer to Boris Nikolayevich Yeltsin's speech. How do you view Boris Nikolayevich Yeltsin's speech where he says that according to preliminary calculations, the budget deficit next year will reach about 300 billion rubles [R]—this exceeds all budget revenues.

I do not know where Boris Nikolayevich got these figures from. The republics have not yet drafted their budgets. They should begin to be discussed only today, only today, as the Federation Council ruled. I believe that no one in the USSR or at least nobody among the people who have prepared this program, could have seen these budgets together. It is not clear how this budget deficit is calculated, what constitutes the budget deficit, and what is counted as taxes, revenues and expenditures. In other words, I think that Boris Nikolayevich's speech was of a political nature.

When I read the text of his speech I got the impression that he had not seen the Basic Guidelines because some of the figures he listed—for example, he said that the document mentioned a budget deficit of R40 billion—were not contained in any of the previous drafts of this document, nor are they contained in the present draft. He called this document a program several times and there were a number of other factual inaccuracies. Therefore his speech was political. Whatever program we presented, he would still no doubt have made the same speech. [laughter]

Yeltsin is forecasting disaster for the concept of the Main Guidelines in the first few months of its implementation. It would not be a disaster for the Basic Guidelines, but for the programs of the republics. If this comes to pass, that is. This is because each republic will use these Basic Guidelines as the basis for adopting a concept. And if the Russian leadership likes the 500 days program—and quite honestly, I like it, I sympathize with it, and I did not conceal this when I spoke to you last time about the draft—it will be implementing them and if it ends in disaster, it will not be the fault of the Basic Guidelines. But I hope that a disaster like that will not occur. There is a chance of achieving this. A number of points in Boris Nikolayevich's speech to the effect that it is just a mechanical combination, so to speak, of the government program and the president's program, do not accord with reality. All you have to do is analyze the document. It is very easy to establish this. Open the text and check it.

How is the buy-out of land to be effected? We have no provisions for buying land in the document. Let me repeat that this is up to the legislators in the republics. If you have in mind the sale of suburban plots to town dwellers, it is supposed to be done at accessible and very low prices, and this will not be land going into private ownership, but will be capitalized payment for rental, as it were.

Deputies To Discuss Bill To Combat Profiteering

LD2210053790 Moscow TASS in English 0508 GMT 22 Oct 90

[By TASS parliamentary observer Andrey Orlov]

[Text] Moscow October 22 TASS—The Soviet parliament will begin its new working week with the discussion of the bill on combating profiteering. The bill is expected to arise heated discussions, because profiteering has become a scourge of the Soviet economy in conditions of the disintegrating consumer market and a source of social tension in society.

At the same time, the issue is a sensitive indicator of people's attitude to market relations. Soviet people often described some businessmen as profiteers, although for any Western businessman their activities were reasonable. Stalin's and Brezhnev's laws were incompatible with such activities.

As a result, for many years, profiteering and enterprising were considered similar things, and many former plant directors, suppliers and managers are kept in prison with criminals even today, five years after perestroyka began.

The Soviet economy experiences a lack of talented people full of initiative. The change of society's attitude to these people is an indispensable condition for carrying out the economic reform.

The Soviet Government has also been accused of profiteering for its attempts to save the consumer market by administrative price hikes in conditions when shop counters are rapidly becoming empty.

In the meantime, some political forces are trying to use the profiteering issue in their crusade against the market. They are threatening people that "as a result of privatisation of the state sector, new Soviet bourgeoisie and profiteers will become owners of factories and plants instead of working people."

The new week is the first one after the president's plan for the transition to market relations was adopted. The decision has put an end to heated debates on ways and the rate of the transition. Now, the plan is to be implemented, and a reasonable and just law on combating profiteering might help the transition.

Political & Social

'Text' of Gorbachev Economic Guidelines Published

PM1810160190 Moscow PRAVDA in Russian 18 Oct 90 Second Edition pp 1-4

["Full text" of "Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy"; first paragraph is introduction]

[Text] USSR President M.S. Gorbachev has sent USSR Supreme Soviet deputies the "Basic Guidelines for the Stabilization of the National Economy and the Transition to a Market Economy." We publish the full text of this document:

The course of perestroyka, attained via suffering and approved by the Soviet people, has emancipated powerful forces for the renewal of society. Its implementation has wrenched the country from torpidity and stagnation. Fundamental shifts have been achieved in international cooperation and disarmament has been started. Thanks to the political reforms inside the

country, a broad process of democratization and glasnost is rapidly under way, citizens' political rights have been expanded, and the peoples' sovereignty has been strengthened. All this is creating conditions for the upsurge of our entire society and above all of its economy.

At the same time, the grave legacy of the administrative command system, the inconsistency and halfheartedness of the implemented economic reform measures, including errors in the leadership of the economy, and the lack of respect for the law have caused a profound economic crisis in the country.

The situation in the national economy is continuing to deteriorate. Production volumes are declining and economic links are being broken. Separatism is intensifying. The consumer market has been devastated. The budget deficit and the state's solvency have reached critical levels. Antisocial phenomena and crime are on the increase. Peoples' lives are becoming increasingly difficult, their interest in labor is declining, and their faith in the future is being destroyed. The economy is in an extremely dangerous zone—the old administrative management system has been destroyed, but the new incentives for work in market conditions have not yet been created. There is a need for vigorous measures based on social consensus in order to stabilize the situation and make faster progress along the road to a market economy.

1. The Choice Has Been Made

There is no alternative to switching to a market. All world experience has shown the viability and effectiveness of the market economy. The switch to such an economy in our society is dictated solely by people's interests and aims to create a socially oriented economy, gear all production to consumer needs, overcome the shortages and the disgraceful waiting lines, ensure citizens' economic freedom de facto, and establish conditions for encouraging hard work, initiative, and high productivity.

The transition to the market does not contradict our people's socialist choice. Only the market, combined with the humanist orientation of all society, is capable of ensuring the satisfaction of people's needs, the fair distribution of wealth, social rights and guarantees for citizens, and the strengthening of freedom and democracy.

The self-regulatory mechanisms characteristic of the market ensure balance in the economy along with the best coordination of the activity of all producers and ensure the rational use of labor, material, and financial resources. The market demands that production be flexible and receptive to the achievements of scientific and technical progress.

The transition to an economic system based on market relations will make it possible to organically combine our economy with the world economy and will open up access for our citizens to all the achievements of world civilization.

The difficult breakthrough that must be achieved—one which is necessary for the fate of the country—is that the state tutelage, freeloading and leveling, and apathy and mismanagement bred by the administrative command system must be replaced by freedom of economic activity, responsibility on the part of labor collectives and each citizen for their own prosperity, intensive and well-organized labor, and remuneration according to its results.

A single economic space integrating all the country's republics and regions will be formed via the Union-wide market. And the transition to the market will make it possible to create the economic basis for the voluntary association of sovereign republics within the context of a renewed federative and strong union.

To be effectively viable, the market economy needs the following main conditions, which must be created during the transitional period:

maximum freedom of economic activity. The basis of the economy is free commodity producers who augment their own property and thereby the national wealth. Recognition of the important social role and the encouragement in every possible way of the most active, skilled, and talented people—workers, peasants, engineers, entrepreneurs, and production organizers;

full responsibility on the part of economic organizations, entrepreneurs, and all working people for the results of economic activity—responsibility based on the equal rights of all types of ownership. The point of reforming ownership relations is to clearly determine who bears material [imushchestvennyy] responsibility for the results of economic activity and to find in the course of economic development the sphere of most effective application for each form of ownership;

competition among producers as a most important factor stimulating economic activity, increasing the diversity and improving the quality of output in accordance with consumers' demands, lowering costs, and stabilizing prices. The development of healthy competition requires the demonopolization of the economy and the formation of an appropriate production structure;

free price formation. Market mechanisms can function efficiently only if most prices are freely established in the market, by balancing supply and demand. State price controls are permissible only in a limited sphere;

abandonment by the state of direct participation in economic activity (with the exception of certain special spheres);

extension of market relations to those spheres where they are more effective than administrative forms of regulation. At the same time the economy retains a considerable nonmarket sector that includes those types of

activity that cannot be subordinated to exclusively commercial criteria (defense, health care, education, science, culture);

openness of the economy and its consistent integration within the system of world economic ties. Any economic organizations are entitled to carry out foreign economic transactions. Foreign firms operate on the domestic market on equal terms with all producers in accordance with established legislation and generally accepted international norms;

the ensuring by the state authorities at all levels of social guarantees for citizens, these being conceived, on the one hand, as the granting of equal opportunities to all citizens with regard to ensuring a worthy life for themselves through their labor and savings, and, on the other hand, as state support for disabled and socially vulnerable members of society.

However, the market, while ensuring high economic efficiency in production, requires state and social regulation primarily from the viewpoint of preventing negative phenomena such as inflation, unemployment, excessive differentiation in terms of property, instability of production, and unevenness in the development of certain regions. The state, by implementing macroeconomic policy, helps to form an environment favorable to economic activity, primarily in spheres consonant with social interests. Here the activity of state organs to regulate the economy is based on strict demarcation between the powers of the legislature, executive, and judiciary.

The choice of switching to the market has been made—a choice of historic importance to the fate of the country. The whole question now is how to move toward the market, how to choose the most reliable and correct paths. The acuteness of the crisis compels us to act without delay. There is a need for resolution and determination, but these must not be reckless and adventurist but must be based on realism and belief in our people.

These basic guidelines were prepared on the basis of the programs elaborated by the working group of M.S. Gorbachev and B.N. Yeltsin and by the government, taking into account the proposals made at sessions of the Supreme Soviet of the USSR and republics. At the same time the changed economic situation in the country has been taken into account.

The point is that the process of increases in purchases (so far, grain and meat) and wholesale prices (during the conclusion of contracts for 1991), and also in prices for certain groups of goods in a number of republics and regions, has begun in the country's national economy without preliminary measures to improve the financial health of the economy. This has given a boost to inflation, which is spreading to retail prices. Under these conditions, it is necessary to curb inflation, primarily in retail prices, and over this period to carry out as swiftly as possible measures to improve the monetary and financial system and on this basis to then make the transition to market prices.

These basic guidelines are designed to be the basis for coordinated actions on the part of all republics and Union organs to stabilize the national economy and transfer to a market economy. Every sovereign republic has the opportunity to elaborate and implement a series of concrete measures to achieve the market switch with consideration for the specific features of their socioeconomic situation and national and historical features.

2. Economic Relations Within the Union of Sovereign Republics

Economic relations between sovereign republics are built on the basis of recognition of republics' state sovereignty and equality and at the same time on the integrity of the Union as a federation, on the understanding that the enterprise is the basis of the economy and the state's task is to create the most favorable conditions for its activity.

Republics carry out the legislative regulation of the possession [vladeniye], use, and disposal of all the national wealth located on their territory, which forms the material basis of their state sovereignty.

Joint property of all the republics (Union property), which is managed by Union organs, is formed in order to resolve tasks common to the sovereign republics. The Union organs ensure the uniform regulation of the economic regime on the basis of antimonopoly legislation and coordinated measures to combat unscrupulous competition, the protection of consumers' interests, and the regulation and equalization of the initial conditions for the republics' transition to market relations.

The republics bear the main responsibility for the development of their territories and implementation of economic policy, independently form the management structure of the national economy and the system of republican and local taxes, dues, and compulsory payments, and resolve questions of the regulation of prices and incomes and the social protection of the population.

The role of autonomous republics and other national formations in the economy of the USSR and Union republics will increase considerably.

On a voluntary basis and in pursuit of common interests, the sovereign republics make up the Union, form a single economic area and Union-wide market, and conduct a concerted policy promoting free enterprise, mutually advantageous economic ties, and market protection.

The Union member-republics jointly elaborate the basic guidelines of their common economic policy, adopt legislation regulating the system of interrepublican relations, define the procedure for settling economic disputes and conflict situations, and conduct a concerted policy on prices, incomes, employment, pensions, and

citizens' social guarantees. They set up Union management organs for the joint management of spheres of activity that call for the implementation of a concerted policy.

The republics delegate the following powers to Union management organs to enable them to establish a single Union-wide market:

implementation of a concerted financial, credit, and currency policy aimed at enhancing the purchasing power of the ruble as the only legitimate means of payment on the territory of the Union and prevention of restrictions on the circulation of monetary resources inside the Union;

the all-Union regulation of prices for key types of raw materials, output, goods, and services on a range agreed by all sovereign republics;

elaboration and implementation of common customs legislation to ensure the protection of the Union-wide market and the prevention of restrictive quotas or customs barriers inhibiting the flow of the agreed range of goods inside the Union;

elaboration of the foreign economic policy strategy, establishment and utilization of the Union-wide currency fund, and discharge of the USSR's obligations to the international community;

organization of common patenting, metrological, and meteorological services, the establishment of Union-wide standards and introduction of international standards, and the organization of a unionwide statistical service and common bookkeeping system.

In addition, in pursuit of the common interests of the republics' socioeconomic development, the Union organs of management ensure:

the elaboration of long-term forecasts of the country's economic and social development and the drafting and implementation of major national economic programs of Union-wide importance;

the elaboration and implementation of measures of Union-wide importance to ensure the ecological safety of the population;

the provision of economic conditions to maintain the Union's defense capability, ensure state security, and combat organized crime.

The management of spheres of activity and targeted programs whose character demands unified leadership throughout the Union is established at the Union level. This applies to the management of:

key fundamental research and scientific and technical development work;
defense programs;
the common fuel and energy system;
mainline railroad, sea, aviation, and pipeline transport;
the nuclear power industry;
space systems and research;
Union-wide communications, information, and information science system;
Union-wide state system for notification and action in emergency situations.

The powers delegated to Union organs of management cannot be altered without the agreement of the sovereign republics. In turn, sovereign republics are economically liable for the violation of adopted commitments.

The Union budget is formed from Union (federal) taxes; the tax rates and taxation subjects are established by agreement with the republics. Union budget revenue also comes from other sources as a result of the implementation by the Union of its authority functions. This will enable the Union to plan its expenditure proceeding from expected income and to assume responsibility for its financial policy.

In addition to expenditure in spheres that fall under Union-wide jurisdiction, a regional development and support fund is being created within the Union budget and provision is made for means to be used to service the USSR's domestic and foreign state debt and to maintain a reserve fund.

By mutual agreement sovereign republics may also finance the implementation of other economic, scientific, technical, social, and ecological programs on a bilateral or multilateral basis.

With a view to financing the foreign economic activity of the Union, among the powers delegated to it, a Union hard currency fund is created that is sufficient to service the USSR's state foreign debt; to implement a concerted, Union-wide currency policy; to ensure the necessary support of spheres under Union-wide jurisdiction; and to establish hard currency reserves at the Union level.

An Interrepublican Economic Committee is being set up at the Council of the Federation to coordinate the measures to be implemented by all republics.

3. The Logic of and the Stages in Economic Improvement and the Switch to a Market Economy

From the outset of the reform, emphasis must be placed on improving finances and the credit and monetary systems while maintaining existing economic ties and material flows in the national economy. At the same time price increases and the spontaneous spiraling of inflation must be curbed. On this basis a broad switch to market prices is planned in the future, to be implemented with due account taken of the socioeconomic conditions as they take shape.

The said measures, coupled with state support, the introduction of incentives for consumer goods production, the development of services for the population, and expanded importation of these goods are to ensure the normalization and restoration of the consumer market and its saturation with goods and services. This will

largely eliminate the social dissatisfaction of the population, considerably facilitate subsequent steps toward transition to a market economy, and enhance material interest and labor and economic activity.

At the same time resolute measures will have to be implemented in the destatization and demonopolization of the economy and the development of enterprise and competition, so as to create within a short time the preconditions for self-regulating market mechanisms to come into play. They alone can curb the development of inflation and encourage the expansion of the volume and variety of output, the enhancement of its quality, and the reduction of costs. Until they come into play with sufficient force, we will have to adhere to a stringent financial and credit policy, and in individual spheres even direct administrative intervention, so as to prevent inflation from getting out of control. In connection with this structural restructuring of the economy will be confined to the most urgent measures during the transitional period.

This difficult path has to be covered in the shortest possible time. The experience of applying stabilization programs in other countries and the calculations and forecasts that have been made with reference to our conditions show that this period may last roughly 18 months to two years. It is for this period that the additional powers granted to the country's president are intended.

Immediately after this period the development of a full-fledged market and an active structural-investment policy and the promotion of production and the enhancement of its efficiency will begin to provide the basis for improving the life of the Soviet people.

Within a relatively short period during which the Union-, republic-, and local-level organs of power can count on the mandate of the people's trust, it will be necessary to stabilize the national economy and implement transformations to clear the road toward the development of market relations and to ensure a visible improvement of the situation in the economy and people's lives.

The tasks of stabilizing the economy and transferring to the market are to be resolved in four stages.

Stage I—Program of Extraordinary Measures

At the very outset the introduction of legislative acts enshrining the basic principles and directions of economic reform is to be announced and—this is the main thing—a system of measures to stabilize the national economy is to be implemented ensuring:

the improvement of finances and the money supply by reducing the state budget deficit, suppressing the emission of money, restructuring the banking system, and regulating enterprises' finances;

protection for the population's savings by raising interest rates at savings banks, balancing of the population's income and expenditure, backing for consumer goods production, and, on this basis, the restoration and normalization of the consumer market;

the stabilization of reciprocal deliveries and the prevention, where possible, of a decline in production;

the denationalization [razgosudarstvleniye] and privatization of property, and the implementation of land reform;

the stabilization of foreign economic relations.

The most complex task at this stage is to curb the incipient rise in prices; to restrict the increase in wholesale and purchase prices; effect a phased increase in state prices for fuel, raw materials, and construction materials; and monitor the level of state retail prices for goods in mass demand. All this has to be done in such a way as to cover the growing budget deficit on the one hand which was caused by purchase and wholesale price hikes and prevent uncontrollable inflation on the other, and also to improve the commodity-money balance conditions for the subsequent accelerated transition to the market.

Stage II—Tough Financial Restrictions and a Flexible System of Price Formation

The main content of this stage is the consistent and gradual transition to market prices for a broad range of production and technical output and consumer goods. The steps taken during the previous stage should avert excessive price hikes. In the future inflationary processes are to be restrained by a tough financial and credit policy.

Fixed state prices for at least one-third of all goods—fuel, raw materials, and semimanufactures—are to be retained at this stage, which is important in order to regulate the overall level of prices and state retail prices for essential consumer goods which determine the population's subsistence wage.

At the same time the scope of denationalization is to broaden, small enterprises are to be privatized, and a market infrastructure is to be developed.

Special steps are being taken to redistribute capital investments and other resources to sectors working for the population, and incentives are to be increased for their development and expansion.

The first result of the extraordinary measures and price liberalization will reveal itself in a marked improvement in the situation on the consumer market, particularly for goods sold at prices governed by supply and demand. The tougher and more consistent the steps taken in the sphere of financial and credit policy and to eliminate artificially hyped demand, the smaller the price rises will be. Goods will appear on free sale. That is the first positive result that may be achieved—and must be achieved without fail—from the reform.

During the transitional period special mechanisms are to be introduced to provide social protection for the population's income, including indexation with consideration of retail price movements. At the same time measures to support socially vulnerable strata of the population are beginning to be implemented.

Union republics and local organs of power can employ various measures to regulate prices, including interim price freezes for goods in mass demand in the event of excessive price hikes. They can introduce rationed distribution of a number of goods compensating producers and trading outlets from their budgets for losses incurred, and they can provide social protection for the population's income.

With a view to maintaining production and economic ties, a state contract system has been set up that will undertake to place state orders on a contract basis and distribute and regulate the prices for the output supplied under these contracts.

Stage III—Formation of the Market

The main task during this stage is to achieve the stabilization of the market as a whole for both consumer goods and means of production, thus broadening the sphere of market relations and establishing a new system of economic relations.

Contradictory processes will occur in the economy at this time. On the one hand, we can expect increasing saturation of the market with goods. The market infrastructure will develop at an accelerated pace and the influence of enterprise on economic activity will increase. The use of material resources must be more economical and production stocks will be reduced. The resources released will swell the market in means of production and help to stabilize it.

During this stage the stress will be placed on the formation of a housing market, the reform of labor remuneration, and the restructuring of mutual relations between enterprises and local soviets in the social sphere, along with further price liberalization.

The creation of a housing market is a necessary element in the transition to a market economy. It will make it possible to put one of the most important commodities into circulation—a commodity that is capable of swallowing up a considerable amount of the population's effective demand, promoting equilibrium in the consumer market and an increase in incentives to hard work.

It will also be necessary to restructure the labor remuneration system. The purpose of this is to abolish regulations and establish a state minimum wage for enterprises, with all forms of ownership based on a calculation of the minimum consumer budget in the light of the new level of expenditure on housing and on an extended range of goods and services as a whole that are bought at market prices using personal income. A realistic minimum wage will be an important means of social protection for working people. At the same time, restrictions on the opportunity to earn money will be lifted.

In connection with these measures republics and local organs are working to remove enterprises' excessive and unequal burden in maintaining social facilities, thus facilitating enterprises' entry into market relations and boosting their competitiveness.

Given successful implementation of the measures in the preceding stages, virtually all the basic conditions for the stable functioning of the economy will have been created—balanced prices and budget, a saturated consumer goods and services market, a modern banking system, and a currency market.

The conditions that take shape following the development of housing reform will promote the formation of the labor market. Trade unions will be strengthened as defenders of working people's interests, and unions of entrepreneurs and managers will be formed. On the basis of agreements between them, and with the state in a regulating role, it will be possible to organize a labor market and public supervision of the movements of incomes and prices.

Financial and credit restrictions will be withdrawn as competition, enterprise, and price stabilization develop. There will be changes in taxes and interest for credit in order to help revive business activity and increase investment.

Stage IV—End of the Stabilization Period

The main tasks in this period are to consolidate economic and financial stabilization, improve the consumer market, and, particularly, to ensure the accelerated formation of the competitive market environment needed for the fully fledged functioning of the market's characteristic self-regulatory mechanisms.

During this period there should be considerable progress in the demonopolization of the economy, denationalization, and privatization.

Preconditions should take shape for the intensification of economic activity, above all in the light and food industry sectors, the agrarian sector, and sectors in the service sphere.

The predominance of prices governed by supply and demand in conjunction with a balanced budget will create the preconditions for resolving the key problem in the transition to a market economy—the problem of the internal convertibility of the ruble. The crux of the problem is to give all Soviet enterprises and foreign companies operating on USSR territory the opportunity to buy and sell freely at market rates the foreign currency needed to perform ordinary economic operations.

Internal ruble convertibility will open up extensive possibilities for an influx of the foreign investment that the

country so needs for restructuring and retooling, and also to develop competition on the domestic market and overcome monopolies. It can be asserted that under our country's circumstances this is an important precondition for ensuring that the market mechanism runs on full power.

A structural restructuring of the economy, relying for the first time on the market mechanism and the involvement of foreign investments, technology, and management experience, will be implemented.

4. Measures to Stabilize the Economy

These measures cover the improvement of finances and the money supply, support for production and reciprocal deliveries, the normalization of the consumer market, and the stabilization of the country's foreign economic position.

The improvement of finances and the money supply is the key task of stabilization. It consists of eliminating the surplus money in circulation, bringing it into line with commodity resources, and strengthening the ruble.

Above all, it is necessary to radically reduce the Union and republic budget deficits, starting in November-December of this year. In 1991 the aggregate Union and republic budget deficit should not exceed 2.5-3 percent of GNP (no more than 25-30 billion rubles [R]). This level of deficit can be realistically financed by placing loan instruments with the population, enterprises, organizations, and abroad.

Funding of the budget deficit through loans from the USSR Gosbank [State Bank] will come to an end. Under exceptional circumstances, the USSR president may permit short-term loans to be made for limited amounts.

Budget expenditure for the end of 1990 and for 1991 will be cut by:

further reducing production investment. Construction of all projects that are in the early stages will be halted, with the exception of those intended for the expansion of consumer goods production, housing construction, or the development of the social sphere;

cutting spending on USSR Defense Ministry and KGB needs, specifically by reducing arms purchases and cutting military construction work. It is planned to channel some of the funds produced by the spending cuts into improving the pay of and building housing for servicemen;

ending the funding of expenditure that is no longer targeted and has not been assimilated on schedule, including expenditure from ministries' centralized finance funds; ending the payment of subsidies and financial aid to enterprises, apart from a limited number included on an agreed list;

and cutting spending on the upkeep of the state apparatus and switching many budgetary organizations to cost recovery (full or partial).

At the same time, measures will be taken to increase the income received by Union and republic budgets. The procedure for assessing and levying turnover tax will be changed, and the range of goods covered by this tax will be enlarged.

The adopted all-Union tax legislation will be retained for 1991. At the same time, individual amendments may be made to the existing laws as proposed by the republics.

The formation of tax inspectorates will be completed in order to ensure reliable monitoring of budget revenue.

By the end of this year, budget revenue should increase thanks to increased turnover tax inflows in connection with the transition to supply-and-demand prices [tseny sprosa i predlozheniya] for primary necessities, including imported goods.

Efforts are being made to increase budget revenue by selling on the domestic market considerable quantities of military equipment with civil applications, batches of trucks and cars used by state organizations, and other state property and goods.

The transformation of the banking system and the creation of effective levers for regulating the amount of money in circulation are of decisive importance for improving the money supply, preventing inflation, and establishing more stringent financial restrictions for enterprises.

To that end, specialized state banks will be transformed into joint-stock commercial banks operating on an equal footing with other commercial banks. They will be charged with providing direct credit and accounting services to the national economy. It may be necessary to retain a single state bank which, with budgetary support, would offer soft loans in order to provide incentives for economic activity in the state interest. The USSR Workers' Savings and Credit Bank [Sberbank] will retain its standing as a state institution; the state guarantees the safety of the deposits, which will be indexed if necessary.

No later than this November, the USSR state banking system will be transformed into the Union Reserve System, comprising the USSR Gosbank and the central banks of all Union republics, which will set unified and coordinated rules binding on all with regard to the regulation of credit and the money supply, including capital reserve requirements for the commercial banks, the prime rate, and other things. The monopoly on the emission of money and common principles of banking supervision will be maintained. A loan fund will be distributed between the banks, and the transition to a normal mechanism for money emission will be ensured by the sale of bills via the Reserve System to commercial banks on written order [po beznalichnomu raschetu]. The democratization of the banking system will thereby

be combined with the strengthening of its unity on a Union level and the enhancement of the effectiveness of credit levers for regulating economic processes.

The transition to the regulation of the aggregate money supply will be effected from early 1991 onward. Inefficient cash planning will be abolished.

Bank interest rates will be increased. In the future, interest rates will be determined by supply and demand in the credit market and by the policy of the reserve system. Money will thereby become expensive and acquire the qualities required by circulating capital in a market economy.

Many enterprises will experience financial difficulties connected with the implementation of these measures. In order to make it easier for them to adapt to the new conditions and to give them a chance to build up their own circulating capital and find ways of improving their efficiency, it is planned to implement:

the priority denationalization, flotation, and deconsolidation of such enterprises;

the creation of stabilization funds;

the development of commercial credit between enterprises as an element in the new wholesale market in order to reduce the dependence on bank loans;

the promotion of the practice of issuing bonds for the purpose of raising additional circulating capital;

and the closure of hopelessly inefficient enterprises.

An important role should be played by the stabilization funds set up as independent institutions at Union and republic level. They can give enterprises temporary financial assistance in the shape of direct subsidies, soft loans, credit guarantees, and so forth. The stabilization funds' capital will be drawn from targeted budget appropriations, deductions from enterprises, part of the proceeds from sales of state property, bond sales, and other sources.

Financial assistance from stabilization funds will be provided on defined terms, which could include demands for the reorganization of enterprises, the replacement of management, the reduction of unproductive spending, conversion, the breakup of enterprises, and so forth.

The normalization of the consumer market is socially a highly important part of the stabilization program. In order to achieve this, it is essential on the one hand to find an effective use for the vast surplus money that the population has accumulated and on the other to increase the delivery of goods and services to the consumer market.

In order to resolve the first task the intention is to expand the sphere of paid goods and services. Sale of housing, summerhouses, construction materials, and various types of state property is to be increased, and charges will be made for long-term leasing of out-of-town plots of land. By redistributing construction organization capacities and providing them with additional incentives, by the end of 1991 we must construct extra numbers of dwellings [zhilyye komnaty] and garages and prepare several million country plots for sale to the population.

It is also planned to introduce interest-free loans to enable the population to acquire material goods in short supply in the near future: automobiles, personal computers, furniture, telephone installation, additional housing, summerhouses, garages, country plots of land, and so on. The state is to provide guarantees, and prices are to be fixed.

It is also extremely important in this connection to ensure the safety of the population's savings, reinforce their trust in the state, and divert money away from the consumer market. With this in view, interest rates are to be raised, primarily for fixed-term savings bank deposits.

Along with this all forms of expenditure by the population on production investment—on acquisition of means of production, shares and bonds, and on buying out enterprises—are to be mobilized.

On the other hand, steps are to be taken to expand consumer goods production and the sphere of paid services. Additional incentives are to be introduced for consumer goods production, including tax concessions and assistance for enterprises in stepping up production of these goods.

It is planned to start the switch to market prices—prices governed by supply and demand—with essentials; however, it is planned to set fixed prices for certain groups of these goods in the interim. The proportion of consumer goods and raw materials for their production in the import structure is to increase, notably through procurements by means of special-purpose loans on preferential terms. Normative commodity stocks in the trade sector are to be increased in order to check price increases and stop artificially hyped demand when prices are liberalized.

To a considerable extent speculators are able to get their hands on currently scarce goods, including imports. Catalog sales of imported goods will be extensively organized in order to prevent this.

There is to be demonopolization and privatization in retail and wholesale trade, public catering, consumer services, and also in a considerable proportion of the enterprises supplying them with goods. Incentives are to be provided for the activity of consumer cooperatives, trade and purchase cooperatives, and other trading enterprises, particularly those importing and selling goods in regions where there are problems in supplying the population. Measures to combat the shadow

economy and attempts by its representatives to impede the development of competition in the consumer market are to be stepped up.

The consumer market is most sensitive to disruption in deliveries and will require special measures to prevent such disruption in the transitional period. The mechanisms of state orders and prices and the contract system will be used to this end. In the event of need arising at city, regional, or republic level, normative distribution of a limited range of prime necessities will be introduced.

Ensuring stable economic ties is particularly important during the transitional period, bearing in mind the unstable nature of the emergent market ties and the danger of production becoming disorganized.

In accordance with the USSR president's decree, existing economic ties will be retained for 1991 and stringent sanctions introduced in the event of their being violated. The continuous operation of transport services will also be ensured.

All the necessary measures will be taken to find foreign currency resources to settle accounts with foreign firms for goods received and to expedite the conclusion of contracts for the delivery of imported raw and other materials and components.

The State Contracting System, created on the basis of organs of the Gossnab [State Committee for Material and Technical Supply], the Ministry of Trade, and the Agrosnab [expansion unknown], will be charged with ensuring production of material and technical resources within the limits of state output deliveries for 1991. Deliveries of other output will be organized by direct economic ties or via intermediaries—commercial wholesale enterprises.

The strengthening of the USSR's foreign economic position urgently requires the speediest normalization of the country's foreign exchange position and the attraction of foreign capital. The creation of the conditions for this requires the existence of: a) a clear-cut program supported by the republics and the country's main social forces for stabilizing the political and economic position; b) a national program for cutting military spending, the Army, and armaments and for converting military production; and c) a new doctrine of foreign economic ties with guarantees for foreign investment.

Provided these programs are adopted and implemented, there is a possibility that:

assistance will be obtained from the developed capitalist countries in various forms, including the granting of long-term loans at preferential rates;

certain fuel and raw material deposits and tracts of forest will be leased and joint ventures organized to comprehensively process these natural resources, taking account of modern ecological requirements;

real estate, including unfinished construction projects, will be auctioned off or leased;

state securities with various types of guarantees, and shares issued by Soviet enterprises and organizations and bought by foreign investors will be sold;

numerous waste product and secondary raw material bases will be developed with the help of foreign capital;

foreign investment in joint ventures will be attracted year by year;

and foreign capital will be invested in the development of a modern tourist industry and infrastructure projects for business.

In connection with the exacerbation of the foreign debt problem the "Basic Guidelines" envisage measures to ease the problem and to provide foreign economic backing [podstrakhovka] for the Soviet market during the period of its stabilization. To this end:

the delay in repaying the country's debts to foreign firms will be made good by the end of 1990 by expediting exports and rationalizing imports; state orders for basic Soviet exports in 1991 and 1992 will be maintained in volumes that guarantee the country's minimum foreign exchange requirements;

ruble-denominated imports to the USSR will be organized, with the possibility of the sums obtained being reinvested in the country's economy;

talks with the IMF, the EC, and leading foreign states on financial and economic support for the process of perestroyka and market reform will be concluded;

accounts with the CEMA countries will be switched to world prices and freely convertible currency as of 1 January 1991;

and the USSR's economic aid to foreign states will be reduced and placed on a commercial footing.

It is envisaged that the USSR Supreme Soviet will annually set a cap on the USSR's foreign debt and ratify a budget for such aid.

The implementation of a range of extraordinary measures to prevent a drop in oil extraction and a reduction in the production of other exports is of particular importance for stabilizing foreign economic ties. By contrast, working on the basis of the actual effectiveness of foreign trade, we need to increase incentives for exporting output and earning foreign exchange. In this connection it is important to resolve as quickly as possible the issues of enterprises' right to take out mortgages on land and property, which will pave the way for them to obtain secured loans from foreign banks to expand their exports.

5. Measures To Shape the Market Economy

Support for enterprise, denationalization, privatization, and the development of competition. The transition to the market economy and the efficient functioning of a self-regulating market mechanism are only possible when the bulk of goods producers—enterprises, organizations, and citizens—enjoy freedom of economic activity and enterprise. They must be free to make use of property owned by them, leased by them, or transferred to their use, to independently determine their production programs, to choose their suppliers and customers, to set prices, to dispose of their profit after tax, and to resolve other issues relating to economic activity and the development of production.

This will make it possible not only to create the conditions necessary for the functioning of a market mechanism, but also to mobilize the potential of human activeness—one of the main resources capable under our conditions of having an effect within a relatively short period of time. This effect is based on people's desire to secure normal living conditions for themselves through their own work and skills.

In the near future it is intended to proclaim freedom of economic activity and the development of enterprise in the country, making provision for freedom to pursue economic activity for a variety of organizations and citizens, the creation of enterprises using a procedure whereby they apply for registration, and barriers to interference by state administration organs in the work of enterprises regardless of the forms of ownership and economic management.

It is planned to implement these provisions by a USSR presidential decree which will also envisage provisions ensuring the shaping of the conditions for the free choice of forms of ownership and economic management, their equal functioning, and equal access to material, financial, information, and other resources on a fee-paying, competitive basis. The republics will flesh out these provisions as applied to their own specific cases and, together with local administrative organs, will implement measures to maintain and develop economic initiative and enterprise.

At the same time lists of types of activity that are banned, governed by a state monopoly, or permitted only under state license will be approved at Union level and in the republics.

The formation of free commodity producers as a highly important element in the market economy necessitates the speediest removal of a large proportion of enterprises from state patronage and privatization. Privatization is not necessarily seen as a switch to private ownership alone, but as a more general process of changing ownership via the transfer or sale of state property on various conditions to collectives, cooperatives, shareholders, foreign firms, and private individuals. These subjects of economic activity most fully accord with the demands of a market economy. Not only are they autonomous in their activity, but they are also economically responsible for the results of this activity—in terms of both current income and their own property, moreover. This ensures rational use of resources and hampers their unwarranted redistribution for consumption detrimental to the improvement of production potential.

Denationalization with the transformation of ownership can be effected by various methods. The specific avenues of denationalization will be determined depending on the particular features of the republics and regions, the specific features of the sector or production unit, the size of the enterprise, the level of stocks, and other factors.

Denationalization programs are to be mounted with the adoption of appropriate decisions at Union and republic levels in the form of decrees by the USSR president and by the supreme organs of power in the Union republics. These documents will indicate the aims, principles, and main avenues of denationalization. The equality of all forms of ownership envisaged by the USSR Law "On Ownership in the USSR" is stressed. The right to private ownership is recognized. Guarantees of the right of ownership of corporate entities, and citizens, including foreigners, are indicated.

The USSR State Property Foundation is in charge of all the concrete work of denationalization at Union level. Similar bodies will be set up in the republics.

Immediate measures of denationalization and privatization are to be carried out first in those spheres where nonstate structures are most advisable. They include trade, public catering, consumer services, repair and construction organizations, and also small enterprises in other sectors. At the same time the transformation of large and medium enterprises from various sectors of industry and other spheres into joint-stock companies and societies is to begin this year.

With a view to preventing abuse, including the laundering of illegally obtained funds, it is intended, when implementing denationalization, to ensure strict control by state organs and the public. It is envisaged that priority in buying property and shares will be accorded to labor collectives and their members and use made of various forms of aid, above all using the enterprise's funds, sales with installment payment, discounts, the granting of credit, and so on.

It is proposed to hold extensive competitions and auctions, with the corresponding measures conducted openly. To prevent the market value of the property to be sold from being understated, this process will be carried out in stages on the basis of supply and demand.

At present the balance-sheet value of the country's fixed assets (excluding the value of land, minerals, timber, and citizens' personal property) is around R3 trillion, or around R2 trillion allowing for depreciation. The circulating capital of enterprises and organizations is R800 billion. Around 90 percent of property is owned by the state.

That is why the process of denationalization may take a long time. Various methods of accelerating it will be sought and tried out in light of the interests of all citizens.

It is planned to adopt special measures to demonopolize the national economy and develop competition. They are aimed at preventing, restricting, and nullifying the use by those taking part in economic circulation of their dominant position in the market and also preventing manifestations of unfair competition. This work will be spearheaded by a specially created Antimonopolies Committee. The Union republics will create similar antimonopoly organs.

The task of the large-scale creation of small enterprises is to be resolved at the same time as state property is transformed into other types of property.

The land reform and characteristics of the formation of market relations in the agro-industrial complex. The key avenues in the establishment of a market economy in the agrarian sector are:

the implementation of land reform and the creation of conditions for the effective functioning of various forms of ownership and economic activity, the elimination of the monopoly on land ownership, and the formation of a mixed economy in the agrarian sector;

the elimination of administrative structures of state management of agricultural production and the abandonment of the administrative establishment of mandatory orders for agricultural produce;

to boost the prestige and increase the motivation of peasant labor and provide maximum incentives for enterprise and healthy competition among producers;

the elaboration and implementation of targeted programs for the development of the production and social infrastructure in the countryside with state financial backing;

the provision of a social policy that accords with the needs and requirements of rural inhabitants, and the creation of socioeconomic guarantees of the peasantry's position in society. Union and autonomous republics are to adopt land codes and other direct-action legislative acts regulating land relations with reference to the specific features of individual regions of the country and conditions for granting land to everyone who wants it and who is capable of making effective use of it for agricultural production. Republic organs of power are to resolve the question of a worker's right to freely leave a state, cooperative, or other enterprise (association) with a plot of land and a share of the accumulated property, provided that he organizes autonomous agricultural production.

The republics' supreme organs of state power are to create committees on land reform tasked with conducting an inventory and assessing land; revealing where land is used inefficiently; and exercising land organization, consultative, and supervisory functions.

Work is to be carried out to transform inefficient kolkhozes and sovkhozes [collective and state farms] by giving all or part of their land to cooperatives, leaseholders, peasant farms, and industrial and other enterprises to organize commercial agricultural production and also for personal subsidiary farming, collective horticulture, and truck gardening.

Union, Union republic, and autonomous republic organs of executive power and soviet executive committees are implementing a range of economic and organizational measures to stabilize the food supply in the country and bring about the qualitative change of the economic management system in agro-industrial production. For these purposes:

New state purchase prices for the most important types of agricultural produce bought by the state will be introduced with the Union republics' agreement. Conditions will be created for the transition to free contract prices in the sale of other agricultural output. A mechanism is being established for the possible adjustment of the level of purchase prices with the aim of maintaining the necessary equivalence between agriculture and other sectors. Special funds are being created for the targeted financing of the social and production development of farms operating in complex natural and climatic conditions;

Production ties will be maintained between agro-industrial complex enterprises and organizations and enterprises in other sectors of the national economy. Quotas for the most important centrally-distributed material and technical resources are being allocated for agriculture and the processing industry for 1991 as a priority;

Measures are being implemented to give incentives to enterprises that have concluded agreements (contracts) for the supply of agricultural output to the state;

The required volumes of capital investments and material resources are being channeled into the retooling of enterprises in the milling and hulling, meat and dairy, and other processing sectors and also into the development of storage systems for grain, fruit and vegetables, and potatoes on the basis of being located primarily in the areas of production;

Help is to be given to citizens in the management of private subsidiary plots: The allocation to them of additional plots of land, the sale of seeds, planting material, young livestock and poultry, feed, and the unrestricted purchase of commodity output;

Plots of land are to be allocated for horticulture and truck farming at a moderate price to all citizens in cities and workers' settlements who want them.

Given that Union and autonomous republics in accordance with the USSR laws possess the full range of

powers on their own territory and bear direct responsibility for the state and replenishment of the consumer market, a fundamentally new procedure for forming state food resources is being established as of 1991.

Republic and local organs of state management form stocks of foodstuffs for supply to the population of territories under their jurisdiction on an economic basis and ensure supplies to satisfy all-Union needs.

An all-Union fund is being created to supply food to the Army and other special consumers, for export under interrepublic agreements, and for the formation and renewal of state reserves.

Interrepublic supplies of food and agricultural raw materials are carried out under contracts between union republics.

From the beginning of 1991, active practical work is being launched in republics, krays, and oblasts to establish effective forms of economic management which correspond to the market economy—agro-industrial combines, agrofirms, cooperatives, joint-stock and lease enterprises, and peasant (private) farms. New organizational structures with the high level of autonomy of primary labor collectives are being formed on kolkhozes and sovkhozes on the basis of in-depth leasing [glubokaya arendatsiya]. The cooperative nature of kolkhozes is being fully restored.

Programs are being implemented in republics for the support of commercial peasant (private) and other new forms of economic management in the countryside and the creation of economic and legal operating conditions for them that are equal to those of other agro-industrial formations. Special attention is being paid to their organization in regions with insufficient manpower.

In Union and autonomous republics, krays, and oblasts measures are being implemented to demonopolize the sphere of purchasing and processing agricultural produce. Small production units with modern equipment located directly in agricultural production regions will receive preferential development. Processing enterprises will increasingly begin to operate as free commodity producers, purchasing raw materials and selling output on market conditions. Authorities and management comprehensively encourage the creation of cooperative-type wholesale and intermediary firms and services, purchase and sale associations, and trade-purchase cooperatives. Large processing enterprises will be consistently transformed into joint-stock companies.

In market economy conditions the role of the consumer cooperative as a socioeconomic system of which market relations are an organic part will increase substantially. Restrictions will be lifted from the development of the consumer cooperative system in cities, where they will be able to compete with the state or other forms of trade.

Targeted measures to encourage families to migrate to regions where agriculture is experiencing a manpower shortage are to be implemented as an element of the general program for the employment of the population. Migrants are being given material benefits for the cost of removal and the equipping of farms. Families that set up peasant farms will be exempt from tax and payment for land for two to three years from the commencement of their activity.

Policy of price formation. Free market prices are an inalienable element in a market economy. In order to ensure that the transition to such prices is less painful, it is intended to free prices—above all prices for consumer goods and services—from administrative control in stages. During the first stage price control is to be waived for a group of nonessential goods.

However, in order to give the population social protection, it is envisaged that state prices will be maintained for goods and services that form the basis of families' minimum wage (a range of foodstuffs and industrial commodities will be stipulated for these purposes). Local price hikes for individual commodities are also permitted by decision of the republics in the light of local conditions. Republic and local organs are to establish allowances to protect the population's income, in accordance with their capabilities; place orders for additional production; and, where necessary, introduce rationed distribution of these commodities.

In the future retail price control is to be eliminated successively for groups of commodities in light of the specific position and situation in the market. In 1992 it is intended that prices will be controlled only for a narrow range of consumer necessities (certain types of bread and bread products, meat and dairy products, vegetable oil, sugar, basic medicines, school primers, individual children's goods, some transport tariffs, and tariffs for some public amenities).

The end of price control should without fail go hand in hand with a tough financial and credit policy and accelerated rates of denationalization, economic demonopolization, development of competition and enterprise as well as with a market infrastructure.

In the event of excessive price hikes—where prices were freed earlier—republic and local organs are allowed to decide on setting a maximum level for these prices.

During the transitional period the state cannot immediately abandon the policy of maintaining low retail prices for various goods and, consequently, price subsidies; however, a fundamental change is needed in the procedure for payment of price subsidies to ensure that goods are profitable to produce and sell and that, consequently, cheap goods do not become scarce right away.

In accordance with the USSR president's 4 October 1990 decree "On Priority Measures for the Transition to Market Relations," it is planned to switch to the broad use of contract wholesale prices in the national economy. In the conclusion of contracts for 1991, the prices indicated are determined on the basis of wholesale prices

elaborated in accordance with USSR Council of Ministers Resolution No. 741 of 14 June 1988; that is, those prices contained in the price lists provided to enterprises.

Thereby the conditions are created to accelerate the conclusion of contracts and establish economic ties for the year ahead. To limit the increase in prices, it is planned to introduce a maximum profitability level so that profit above that level will be taken from enterprises and distributed in equal proportions to Union and republic budgets. Furthermore, it is proposed that fixed wholesale prices will be applied to a number of types of raw materials, construction materials, and other production and manufacturing output.

In the existing conditions of major financial and monetary imbalance, the transition to contract wholesale prices may cause excessive inflation, undue costs (so that payments to the budget from profits are reduced), and a lack of interest in increasing production because of low profitability.

To prevent these negative tendencies, it is envisaged:

to accelerate the implementation of measures to regulate the financial and credit system so as to sharply limit the money supply in enterprises and organizations. Given rigid financial restrictions on purchasers and difficulties in the sale of output for suppliers, the level of contract prices would then be considerably lower and it would be possible to prevent an increase in inflation;

a more validated level of state prices must be established as soon as possible for fuel and energy products, the major types of raw and construction materials, and other production and manufacturing equipment for which it is proposed to retain fixed prices.

Prices for fuel, energy, and raw material resources and certain mass-produced goods which are exchanged between republics will be determined on the basis of a multilateral agreement among republics in the light of the proposals of Union organs so as to inform enterprises of them as quickly as possible. It is expedient to provide for the phased raising of prices for fuel, energy, and other resources, which will make it possible to prevent a steep rise in production costs and prices in other sectors and allow time for the implementation of resource-saving measures; and to use special methods of state monitoring of the establishment of contract prices in those cases where enterprises increase them above the list-price level.

The formation of market prices here must increasingly be conducted through commodity markets and fairs. In this connection it is necessary to accelerate the development of these elements of the market infrastructure by encouraging the conclusion of deals at markets and fairs by taxation and other advantages.

Reform of the banking system. The key to the acceleration of the economic reforms is the hard ruble. The condition for strengthening it is a single monetary system and the retention of centralized money and credit policy. This demands the most rapid transformation of the USSR State Bank system into a Union Reserve System. The Union Reserve System will consist of a Management Council [Sovet Upravlyayushchikh] headed by a chairman appointed by the USSR president, and the USSR State Bank and the central banks belonging to the system. The Union Reserve System is a single legal entity, that is, it retains a monopoly on the issue of money, and common general principles of bank supervision are preserved.

The need to adopt such a banking system for the country is connected with the need for the centralization of monetary and credit policy in conditions of the sovereignty of the republics and the formation of a renewed federative Union on their basis.

Within that approach the republics adopt their own banking laws, which must not be contrary to the agreement on the Union Reserve System. The condition of participation in it is the repudiation of unilateral actions in the regulation or restriction of money circulation and credit. In the republics the central banks are removed from government jurisdiction and report annually to the Supreme Soviets, which must not interfere in their daily activity.

A crucial feature of the credit reform is the commercialization of state specialized banks. They are transformed into autonomous joint-stock companies with the widest possible shareholder base.

Commercialization presupposes the work of banks within the limits of their own resources and those that they can attract, the autonomous choice of credit projects and the establishment of credit charges and schedules, a single procedure for taxation and regulation for all banks, and the free choice of bank by the client.

The system of universal commercial banks is supplemented by specialized institutions—credit cooperatives and land banks, investment and pension funds, and brokerage and leasing firms.

The State Insurance Main Administration [Gosstrakh] has been undergoing reform for several months now. Gosstrakh organs are being transformed into commercial institutions on a joint-stock basis and the creation of new insurance companies, including those with foreign participation, is being allowed. A state insurance supervisory system is being organized. Insurance resources will cease to be paid into the budget.

The state regulation of banks consists in supervising their activity from the viewpoint of protecting clients' interests. The republics' central banks are entrusted with the task of registering the opening of banks, supervising their operations and their accounting and accountability, and creating mechanisms to protect the interests of investors in commercial banks by means of contributions from the banks themselves.

Under the conditions of the transition to the market, money and credit policy acquires fundamentally new features. In order to regularize monetary circulation and the credit supply, a transition is being made from credit and cash planning to regulation of the volume of the total money supply. The key tasks during the first months is to sharply squeeze credit and restrict money supply growth.

The removal of part of the banks' assets and their deposition in the central bank will be at the center of the system of money and credit regulation at the first stage. By changing the normatives of reserve requirements, the Reserve System will be able to regulate the credit resources of commercial banks and, consequently, affect the volume of money in circulation and inflationary processes.

The interest policy will be no less significant. A new structure of interest rates is being introduced administratively for the first three to six months (long-term rates higher than short-term rates, and lending rates higher than deposit rates) with a considerable increase in their average level—which is designed to limit the demand for credit and reduce noncash emission.

A system of refinancing is coming into force—the money removed from banks by various means is loaned to them at an interest rate set on the basis of the tasks of money and credit policy; accordingly, banks are forced to tie their rates to the rate of the central bank (it must be the same for all members of the Reserve System).

It is necessary to define the status of the ruble as the sole legal means of payment on USSR territory. The issuing of other bills and substitutes and the circulation of foreign currency as a means of payment are prohibited with a view to stabilizing the purchasing power of the ruble, because the increasingly widespread introduction of foreign currency into internal circulation depreciates the ruble.

Restructuring of foreign economic activity. The transition to the market demands the formation in the USSR of an open type of economy developing in interconnection and in competition with the world economy. Therefore the "Basic Guidelines" proceed from the unity of the customs territory, the currency system, and the fundamentals of the investment regime and the country's foreign economic policy in extending the powers of the Union republics in these spheres. For these purposes an all-state organ is being created to manage foreign economic ties, with the Union republics having direct representation on its collegium.

Under the conditions of the transition to the market the enterprise becomes the chief figure in foreign economic activity. A reduction of state control and the decentralization of foreign economic activity are planned, with commercial operations being transferred to the level of enterprises, while ensuring their business independence and concentrating the functions of state organs on regulating and encouraging these operations.

Petroleum, gas, gold, diamonds, precious stones, specialized equipment, and perhaps certain other commodities on a list agreed with the Union republics are an all-Union export resource and are sold in a special way.

Departmental foreign economic associations are being transformed into intermediary firms, including joint-stock firms and, if necessary, are divided into smaller units and diversified.

In order to encourage and regularize foreign economic activity:

new customs and currency legislation in the form of direct-action norms and also fundamentals of new investment legislation are being adopted;

differential currency rates are being abolished;

as of 1 January 1991 currency proceeds are entered directly into enterprises' accounts; part of those proceeds is to be sold to the Union and republican budgets in a compulsory manner in accordance with normatives encouraging the industrialization of exports;

in order to extend the currency independence of enterprises, an internal currency market is being created with free buying and selling of currency at market rates; republican and some commercial banks undertaking currency and credit operations; enterprises acquiring the right to independently attract foreign credits on the security of their own property;

systems to secure the foreign economic risks of enterprises are being created before March 1991, a Union system of foreign economic information is being commissioned, and state certification of "business schools" and consultative firms is being carried out with a view to improving the quality of cadre training and business services.

Management of the foreign economic complex is being transferred mainly to legal and economic levers (customs duties, taxes, the currency exchange rate, bank interest). A new USSR customs tariff is being introduced to regulate foreign competition on the home market. The number of centrally licensed export commodities is being reduced to a minimum. A comprehensive system for monitoring compliance with foreign economic legislation and the rules of competition is being created, and the customs and auditing [auditorskiy] services are being strengthened.

Foreign capital is being attracted into the country in a targeted manner. Possible forms of investments are being widened (including fully owned enterprises, concessions, and free enterprise zones), and their priority areas are being established. Foreign investments are gradually being turned into the main channel for attracting foreign funds.

On the basis of stabilizing internal finances, new prices, and the ruble exchange rate and achieving the ruble's internal convertibility on the domestic wholesale and

currency market the phased transition to the convertibility of the Soviet currency for foreign currencies is being made. Beginning with foreign capital operations, it is then being extended to all current operations relating to the country's balance of payments.

Measures to force out the shadow economy. The transition to the market is the most effective means of forcing out the shadow economy.

The basic measures to eliminate the shadow economy coincide with the most important areas of the reform. As world experience shows, more than 90 percent of the volume of operations in the shadow economy can be eliminated quite quickly with the help of measures to shape the market.

It is also proposed to adopt decisions at republic and all-Union levels to ensure:

The creation of a strong tax insepctorate;

Legal and practical protection of the ownership of the means of production by citizens and collectives and of the income from them;

The removal of monopolies in the economy, in particular by setting increased tax rates, limiting the prices of food produced by monopolies, and other methods defined by antimonopoly legislation;

The gradual introduction into practice of the annual submission of declarations of income to the tax inspectorate by citizens;

The maximum reduction of various kinds of distribution effected in accordance with special systems (coupons, orders, clearance sales, etc), with full glasnost and control in cases where such systems are necessary (for infants and individual categories of patients);

The adoption of new criminal and criminal-procedural, civil and civil-procedural, and administrative legislation, providing for increased criminal liability for the most dangerous kinds of economic crimes.

6. Social Policy in the Conditions of Transition to the Market

A socially oriented market economy is an economic system where every group and social section of the population receives extensive opportunities to realize its life capabilities and requirements on the basis of free labor and increased personal income.

For all those engaged in the national economy the opportunity to freely choose where and under what forms of ownership and management to apply their knowledge and experience will become an important factor in enhancing social vitality.

The new economic system reveals an opportunity, given the inclination, for people to start up a business—organize a cooperative, own a store, a restaurant, a private taxi, or set up a small enterprise or other economic entity.

The freedom to choose the way in which to apply their labor will also be an important factor in the improvement of peasants' living conditions. They will be able to choose between a large farm—a kolkhoz or sovkhoz—a small lease collective, or a private individual farm. There are prospects of a rapid increase in peasants' personal income, interest in which will be bolstered by an increasingly full counterflow of output from the city.

The market economy will provide extensive opportunities for the intelligentsia to exercise their accomplishments and abilities. Enshrining the right to intellectual ownership will create conditions and incentives for everything that is truly talented and original to flourish. There will be increased freedom to choose the forms of organizing the labor that society needs and to set up all manner of unions and associations.

The policy of increasing personal labor income, enhancing its role in meeting the population's sociocultural and consumer needs, and thus wiping out freeloading will be an important element in the new social policy. A guaranteed level of social benefits, which should be regarded as a minimum level, will be provided via public consumption funds for all strata of the population. Here citizens who are "not yet" or "no longer" capable of working—children, the disabled, and pensioners—will enjoy a higher standard of consumption, as a rule, on a cost-free basis. All able-bodied persons should increase their standard of living primarily through their own labor and personal income.

The concept of the population's real income is being filled with new qualitative content. The main acquisition of all strata of the population during the transition to the market is its provision with diverse goods and services and the opportunity for any consumer to choose them freely, thus giving the opportunity for the fullest (in the light of available monetary resources) satisfaction of needs.

Moreover, the range of goods which can be freely acquired with this income will substantially increase. The acquisition of good-quality housing and not just a main residence, but out-of-town accommodation too, spending on leisure, and so forth will occupy an increasingly substantial place in the population's expenditure.

Constant improvement in the social position of citizens who have ceased to be capable of work or who find themselves for objective reasons (for example, having many children) in straitened material conditions is also bound up with improving the economy's effectiveness. As people know, the increase in pensions and benefits on the basis of decisions taken by the USSR Supreme Soviet will start very soon.

In the conditions of the transition to market relations, some population groups should be the object of special

social programs. This applies primarily to the elderly and disabled living alone or independently as well as to orphans and large families. Their vital needs for food, housing, and medical and other services must be met through such programs. Special services to carry out such programs with the extensive involvement of public and religious organizations in their activity should be set up at a regional level (local soviets).

In fact, only two types of people can really lose in conditions of market relations: lazy and disorganized people, whom the market will ultimately force to pull themselves together, and people active in the shadow economy, the economic base of which will be drastically narrowed with the formation of the market.

It is proposed to carry out specifically the following transformations of currently used methods and instruments of social policy.

Reform of labor remuneration. A consistent increase in the cost of manpower will be an important result of the new social policy. Wages will reflect increasingly fully real expenditure on the reproduction of the skilled work force, which renders investment in the education, training, and cultural and social development of the individual most effective. In the course of the pay reform state wage rates are viewed as the minimum guaranteed remuneration for workers with the relevant skills. From this standpoint they are binding throughout the country's territory and for all enterprises, irrespective of their form of ownership. And republics and enterprises can, at their own discretion, establish pay scales based on the funds at their disposal, but these may not be less than state tariffs.

In this sense the state tariff system will be a factor in the social protection of working people and a powerful incentive for boosting production efficiency.

The new tariff system should simultaneously cover production and nonproduction sectors of the national economy so as to ensure that culture, health, and education workers have the same pay guarantees and do not lag behind workers in the production sphere.

At the same time a new system will be introduced for the hiring of enterprise leaders under contract, whereby the state tariff will also set the minimum level of pay.

All other pay issues—forms and systems of payment, bonuses, awards, supplements, and so forth—will be determined independently by enterprises without any interference from state organs. Also, there will be no restrictions on individual pay, which will be regulated solely by income tax.

Dividends from shares in enterprises and other income from property become new sources of income. When working people acquire shares they become the owners of their own plants, factories, sovkhozes, and other enterprises, all of which provides an added incentive to highly productive work.

Strengthening social support for the nonable-bodied population and those studying. The Law on Pension Provision for Citizens has now been adopted and will come into force in the 1990-1993 period.

An important feature of the new pensions system is its linkage to the minimum consumer budget and the changing conditions of the market economy. The measures to alter the pensions system will make it possible to increase average pensions by approximately 50 percent.

As the economy becomes more efficient, centralized increases will continue to be effected in the future in various benefits associated with having and raising children as well as benefits for invalids. Student grants will be substantially increased out of state funds.

Republics can view the centrally set levels of pensions, benefits, and grants as representing the minimum guarantee of material provision for the corresponding categories of citizens. They are entitled to increase payment levels if they can find the necessary funds.

Moreover the system of pensions, benefits, and grants may be reinforced by payments voluntarily undertaken by enterprises to their veterans, women, or young people going to study.

The minimum consumption budget and the mechanism for social protection of the population against inflation. The indicator of the minimum consumption budget will be actively used as an important tool in implementing the new social policy. Families in which per capita income is less than a living wage will be targeted for priority aid from local and state organs.

At the same time, the creation of more favorable conditions for boosting personal earned income will be the basic form of assistance under market economy conditions. Such families will receive priority in the allocation of land for the creation of personal subsidiary or peasant farms, they will be given loans on preferential terms, and so forth. Only in special circumstances will they be given direct material aid and support. The minimum consumer budget will be defined as a range of various goods, services, and other benefits which people need for their existence, and should guarantee not merely the minimum funds needed for existence, but the possibility of growth, improvement, and definite freedom of consumer choice.

It is not currently possible to implement this minimum consumer budget immediately. It is not merely a question of a lack of funds. Normal conditions do not yet exist in the country to ensure its uninterrupted operation—there are all-out shortages in the consumer market, there is a virtual absence of similar but differently priced goods, the system of paid services is undeveloped, and there are no free sales of housing.

That is why at the initial stage the minimum consumer budget for 1991 will be ratified with a restricted selection

in the "basket" of consumer goods. Subsequently it will be reviewed, taking the potential of the national economy into account.

The established minimum consumer budget will be merely a starting point for corresponding calculations in the republics, which will ratify their own minimum consumer budgets with an eye to local conditions.

The switch to a market economy in our country is taking place in the context of a general shortage of consumer goods, particularly in the state trading system at state prices. It will take between six months and a year to normalize the consumer market and saturate it with goods. During this period certain republics, regions, and cities will have to introduce distribution based on norms set by organs of Soviet power so as to ensure guaranteed access to primary necessities. And during this period the state will maintain relatively low fixed prices for primary necessities in the public interest. At the same time, in order to ensure that price rises do not exacerbate people's position, we will need a system to protect their incomes against inflation. It is proposed to do this by means of various types of compensation, primarily by indexing incomes—that is, increasing them in line with the rise in the index of retail prices for a "basket" of consumer goods. This will be done publicly [glasno].

It is planned to index pensions, grants, and benefits 100 percent, while workers with fixed [tverdyy] pay scales and rates (servicemen, teachers, doctors, scientific workers, employees, and others) will receive up to 70 percent indexation, depending on the level of their pay. Wage funds at economically accountable enterprises will be indexed.

The indexation procedure will be regulated by USSR and republic legislation.

Employment policy The boosting of production efficiency, the elimination of unpromising or unprofitable enterprises, and the creation of new production facilities and sectors will lead to a redistribution of manpower—primarily in the services sphere, where new jobs will be created, as well as in cooperatives and the private sector. And some workers will temporarily find themselves excluded from social production. The task will be to minimize the period people spend without work.

A special state employment service will be set up at local soviets. It will not only provide a job search service, but also promote the organization of new jobs, reeducation, and retraining, supply career guidance, and provide material benefits for the temporarily unemployed. Local soviets will organize paid social work for the temporarily unemployed. It is fundamentally important that the employment service provided for people will be free.

Special employment programs for the population will be implemented at the all-Union and republic level, above all in areas with surplus manpower. An employment aid fund will be set up.

In addition to the current system of material benefits for the unemployed, it is planned to introduce direct unemployment benefit when a worker is unable for certain reasons to find a new job or embark quickly on retraining.

Housing reform. The labor market, which presupposes the free movement of the work force throughout the country and abroad dependent on supply and demand, cannot function normally if there is no housing market.

The principles and conditions of the implementation of housing reform, which are being drafted in line with the USSR presidential decree on this question, will soon be submitted for broad discussion.

The social sphere in market conditions. Support at the Union and republic levels for the nonmarket sector of the national economy, that is to say those sectors and kinds of activities which cannot in principle be geared to commercial criteria, is a very important task during the transition to the market economy. A large part of health care, education, culture and art, environmental protection, basic science, and so forth belong here. Sectors and kinds of activity belonging to the nonmarket sector play an extremely important role in the life of society: Scientific, social, and cultural potential for its future development is created here; and the historical and moral traditions of the peoples populating our country are maintained.

This is the sole sector of the economy to which financial and other restrictions will not be applied in principle even during the period of stabilization of the national economy.

It is envisaged that the principle of universal access to essential help in prevention and treatment will be consistently implemented and a network of free state medical establishments developed in the sphere of **health care**.

With regard to other medical services, a policy must be carried out of combining noncommercial institutions and commercial enterprises in the medical sphere which will offer superior services in return for payment and deal in all kinds of "medicine for the healthy" and the provision of services to those who need not treatment but nursing.

Medical insurance, which is intended to finance expenditure on treatment, prevention, and nursing from special insurance funds created out of budget appropriations and contributions by enterprises and citizens, will be set up.

In the sphere of **science** the state will assume the financing of basic research and long-term research projects (along with interested partners) capable of revolutionizing technology in important sectors of the national economy.

The vast majority of applied research and studies will be carried out on a commercial basis. A market in scientific-technical products is being formed, the structure of institutions engaged in scientific research and experimental design work is being reorganized, and they are being deamalgamated in order to eliminate leading institutes' monopolies and develop enterprise and competition. The creation of small scientific and engineering firms with the financial backing of innovation and risk funds is being encouraged.

In the **education** sphere the state will finance a network of institutions of general and specialized secondary education and also, to a significant extent, the vocational and technical training of cadres, and of higher educational establishments. Local organs will be able to levy specific taxes on the population for educational needs. It is necessary to provide incentives for and to obtain enterprises' funds for this purpose.

As well as having free state institutions, it is planned to expand the network of commercial-type scientific establishments, where it will be possible to pay for education and vocational training at a very high qualitative level.

In the sphere of **culture and art** there will be a policy of support for the preservation and restoration of the cultural and historical heritage, aesthetic education, creative endeavor, and development of independent cultural activities.

The role of economic support from society and the state for socially important types of activity in the sphere of culture and art is to be intensified. The sector budget will be the main indicator of society's and legislative authority's attitude to the preservation of culture. Alongside budget finance there will be all-around encouragement for expenditure on culture from nonbudget sources.

In the sphere of **nature conservation** and ecological safety our country faces particularly difficult and urgent tasks. The radical recovery of the country's ecological state will require the all-out renewal of the production apparatus and transformation of direct expenditure on ecological needs into one of the main compenents of the burden on the economy.

A range of measures to radically increase ecological safety and accident-free operation of economic facilities has to be immediately devised and implemented. This is a priority task by virtue of the high likelihood of a further increase in the number of accidents, in view of the expected aging of capital and as a consequence of the increasing loss of production rhythm.

Local soviets' establishment of environmental pollution quotas (at the minimum, realistically attainable level of discharge by existing enterprises), payment for discharge under the quota, small at first (taking enterprises' financial potential into account), but rising steeply from the level of actual damage to the moment of the scheduled withdrawal of ecologically hostile facilities, and fines for excessive discharge, amounting to the total income obtained at the cost of violating the set quotas will play a very important role in market conditions.

In order to radically improve nature management it will be necessary to prepare and introduce a payment (tax) for the use of natural resources—land, nonrenewable natural resources—and raise the payment for water use and forest exploitation to an economically justified level. Legislation will assign part of the tax on the use of nonrenewable natural resources to local budgets.

7. Structural and Investment Policy in Conditions of the Transition to the Market

The creation of a modern economic structure is a necessary condition for the transition to a market economy and a precondition for its successful functioning. The drama of the situation is that the depth of the existing distortions devalues any attempts to switch to an economy based on market mechanisms without a simultaneous structural perestroyka of the economy.

The key directions in structural perestroyka are:

The creation of a developed industrial consumer sector of the economy as a necessary condition for the mobilization of social reserves for economic growth; the overcoming of the structural and technological imbalance of the national economy as the main reason for the reproduction of an economy wasteful of resources.

Faster development of the consumer sector of the economy. Structural investment policy must ensure a reduction in inefficient construction while simultaneously concentrating efforts and resources in those spheres which produce the maximum return and accord to the greatest extent with the task of the social reorientation of the economy.

The speediest release of commodity resources in favor of the consumer market depends crucially on the sharp restriction of demand from enterprises and capital construction for material resources and money. To this end it is necessary:

To suspend the fulfillment of current existing investment programs that do not meet national economic needs;

In order to implement a structural turnaround and normalize construction a considerable proportion of the commenced construction projects for production purposes should be closed;

To prohibit the construction of projects which are not backed up by construction capacities on the scale necessary for completion of construction within the normative schedule;

To demonopolize construction, encouraging the formation of independent construction organizations geared to nonproduction and housing construction.

At the same time machine-building enterprises whose output is not in demand or is losing its market because of

the reduction of investment programs should be reoriented or leased out. The released materials and machinery will be sold off. A proportion of the capacities can immediately be used to produce output and services for the population.

In addition, for a while it will be necessary to introduce restrictions on enterprises' use of their own resources. These restrictions can be ensured through special taxes on investment. Along with this it is advisable to increase the interest rate on loans intended for investment to at least the level of 15 percent (normative effectiveness). On the other hand an increase in interest rates on bank deposits and the differentiation of rates according to the term of the deposits would make it possible to limit enterprises' demand for resources and to enhance investment efficiency.

The overall effect of the aforementioned measures can be estimated as a reduction of R30-40 billion in the budget deficit. A certain decrease in production volumes, expressed in terms of value, in construction and machine building must be expected here; but this is the natural symptom of a real structural change.

The saving of energy resources is of exceptionally great importance. The task is to reduce losses, increase the thoroughness with which resources are processed, and thereby ensure a stabilization in volumes of resource consumption in the course of five to 10 years. It is necessary to abandon the practice of building up exports of energy raw material resources.

The policy of restraining the development of sectors of the fuel and energy complex, which is in line with domestic energy consumption, which is close to stabilization, will make it possible in the long term to keep the annual increase in our country's capital investments in the fuel and energy complex at a moderate level.

The production infrastructure—transport, communications, and the storage of material assets—must occupy a special place in structural investment policy. Their present state not only may be a "bottleneck" in forming the market but also entails a threat to the functioning of the most important sectors of the national economy. Investments in this sphere must take priority, along with consumer goods production.

Direct estimates of the possible reduction in ineffective spheres of the use of investment resources for sectors and complexes, taking into account the significant progressive changes in the technological structure of capital investments and the anticipated effect resulting from conversion of the defense sectors and the economic reform in construction, make it possible to expect a slight decline in the volume of production capital investments in the national economy toward the level of the 12th Five-Year Plan. Capital investments for the implementation of social programs will increase.

Conversion of the military-industrial complex. The conversion program must be elaborated as a general national economic program whose content is deeply linked with all elements of the strategy of structural transformations in the country's economy.

The result of its implementation will be the creation of new production facilities geared to satisfying the national economy's needs for civilian output (technological equipment for the agro-industrial complex, light industry, and trade, medical equipment, civilian aircraft building and shipbuilding).

Utilizing the powerful scientific and technical potential of scientific research institutes, design organizations, and the existing experimental base, modern new production facilities making it possible to resolve the tasks of intensifying the economy's social orientation and ensuring scientific and technical progress in key sectors of industry must be created in the process of the reorientation of the defense sectors of industry.

The utilization of the scientific and technical potential of industry's defense sectors and the assimilation within production of fundamentally new types of equipment, resource-saving technologies, and promising materials are a most important sphere for integrating the potential of these sectors with civilian sectors of Soviet and foreign industry.

This will make it possible to enter the world market with a number of high technologies and to ensure that the domestic market is saturated with particularly complex and high-technology consumer goods and civilian output.

The efficient implementation of conversion can be ensured provided that the barriers dividing the defense complex from the rest of the economy are removed. This can be combined with keeping the enterprises most closely linked with ensuring the country's defense capability within Union ownership, with a high degree of centralization of management of them.

In view of the reduction in military orders, enterprises in the defense complex will experience difficulties in using and realizing the commodity and material assets supplied earlier, in loading and reorienting capacities, and in the need for major investments for this. [sentence as published] These problems will have to be solved in conditions of a tough financial and credit policy by relying less on the state budget and displaying inventiveness in seeking out sources of funds and sales markets, including abroad. At the same time conversion's contribution to improving the health of the economy must lie primarily in the orientation toward large-scale saving of resources in the civilian sphere.

Measures for state regulation of the structural perestroyka of the economy. The motive force of the structural perestroyka of the economy must be enterprises' economic initiative and the population's entrepreneurial activeness, which require effective legal and economic guarantees. With the help of state regulatory measures

this powerful factor must be directed primarily toward saturating the consumer market.

A special role must be played by state targeted programs, above all investment programs—both centralized and decentralized.

Centralized state targeted programs (for instance, defense and space programs) must be implemented on the basis of strict program documents approved by the USSR Supreme Soviet (title lists, estimates, basic state orders, and so forth). For decentralized programs (for instance, the food, housing, environmental, and health care programs, and so forth) the principles for their implementation (including the basic economic regulators and benefits, if these have been placed within the competence of Union organs) and the sums allocated from the Union budget are approved at the all-Union level.

Initially, in conditions of shortages, it will be necessary in parallel and in a coordinated fashion to carry out the budget financing and the physical material and technical supply of state programs.

8. Reorganization of the Management System

The transition to market relations and their effective functioning are possible only in conditions of strong and efficiently organized state power. This is shown by the experience of all countries that have managed to create a developed market economy and high living standards for the population.

In conditions of the profound crisis enveloping the country and of the mounting destructive processes, the way to create authoritative and strong power is via the attainment of social consensus and the unification of all social forces that care about the fate of the country and its people.

It is necessary to resolutely switch to new structures of state and economic management aimed at forming a market-type economy and ensuring efficient collaboration among Union, republican, and local organs. The interests of the cause demand that the elaboration and implementation of economic reforms and programs for the transition to market relations be immediately singled out as a special function of state management.

Above all, it is necessary to make maximum use here of the USSR president's powers recently granted by the USSR Supreme Soviet. The role of the Council of the Federation should be increased in this situation; it must elaborate and implement decisions agreed among the republics via all-Union and republican organs of power. An Interrepublican Economic Committee including plenipotentiary representatives of the republics, specialists, and scientists is created under the Council of the Federation for this purpose.

The structure and functions of the executive branch, including at the top level, need to be analyzed in the face of the new tasks and heightened responsibility of the USSR president and Council of the Federation. The question of the structure of the organs of state power and management at the Union level will be resolved when the Union Treaty is concluded. The USSR Government must use its powers to implement measures to stabilize the national economy and switch to a market economy. To this end there is a need for a certain renewal of the structure and personal makeup of the government. And above all there is a need for representation of the republics in USSR executive organs and for an unbreakable link between all-Union and republican organs of power.

The vertical chain of joint subordination [sopodnicheniye] of executive organs must be immediately restored so that governments and soviet executive committees at various levels are in a state of dual subordination—to the relevant soviets of people's deputies and to superior organs of executive power. Decisions adopted by superior organs within the limits of their competence are binding on inferior organs. A relevant law, as is well known, was recently adopted by the RSFSR Supreme Soviet. A similar law making changes to the earlier USSR legislation on local self-management is being examined in the USSR Supreme Soviet.

It is necessary to work to ensure that the new structures consistently and inexorably squeeze out organs that do not meet the demands of the market economy. It is necessary to resolve a dual task: to form market economy structures and with their help to gradually squeeze out organs of the administrative system; and not to anticipate events, not to smash existing components without regard for the creation of the necessary preconditions in the national economy.

In the immediate future it will be necessary to create a number of all-Union and republican organs to perform new functions stemming from the transition to the market. It will be necessary to develop a state contract system—a complex of organizations placing orders for output for state needs, choosing contractors, and preparing and concluding contracts. It is also necessary to organize a USSR State Property Fund, a State Inspectorate To Monitor Securities, a State Inspectorate for Prices and Standards, an Investment Fund for Regional Development, an All-Union Hard Currency Fund, a Fund for the Stabilization of the Economy, a Fund To Promote Employment of the Population, a USSR Antimonopoly Committee, a USSR State Insurance Inspectorate, a USSR Pension Fund, a Committee To Promote Small Enterprises and Entrepreneurship, and appropriate organizations in the Union republics.

Taking the initiative and with the state's support, it is necessary to implement programs for forming stock and commodity markets; insurance, auditing, holding, and brokerage companies; commercial banks; trading houses; trading and intermediary firms; commercial centers and companies; and auctions, fairs, and so forth.

The role of the supreme organs of power of the USSR and the republics as legislators of the new economic conditions increases during the crucial period of the stabilization of the national economy and the transition to a market economy.

Draft laws envisaging the creation of a system of social guarantees, the indexation of monetary incomes, the perestroyka of the banking system and the management of money circulation, and a customs code have been submitted to the USSR Supreme Soviet; and it is planned that they will be examined during the current and next Supreme Soviet sessions.

On the basis of observance of the agreed principles of the functioning of the all-Union market, Union and autonomous republic Supreme Soviets and their governments should implement a comprehensive system of measures, in particular in the following spheres:

the destatization and privatization of republican and communal property;

the development of and support for entrepreneurial activity;

the demonopolization of the economy and perestroyka of the existing organizational structures;

the creation of the organizational and economic preconditions for the active development of the market infrastructure;

structural investment policy;

the liberalization of the price formation system;

the regulation of incomes and social support for the population.

The supreme legislative organs of Union and autonomous republics should also form a regional system of management organs under joint subordination to ensure the coordination at the local level of work to implement the program for the transition to a market economy.

Much work is entrusted to the republics to carry out an inventory and expert assessment of the state sector's property, and it will be necessary to begin auctions to sell it off to citizens, primarily unfinished construction projects, uninstalled equipment, construction materials, means of transport, and enterprises and organizations in trade, public catering, and everyday services.

A special task of republican organs is to elaborate basic principles and begin implementation of land and housing reforms and to ensure in practice the implementation of the program to support entrepreneurial activity, the agro-industrial complex, and the nonmarket sector of the economy.

Guided by common principles of the functioning of the all-Union market and with a view to the immediate coordinated implementation of measures for financial recovery, the USSR Council of Ministers and the Union republic governments will have to adopt within a short time decisions stemming from the program:

on beefing up monetary, credit, financial, and currency policy, which is aimed primarily at reducing the budget deficit, stabilizing money circulation, and strengthening the ruble;

on principles for the state regulation of prices of basic types of output, goods, and services;

on the strict observance of uniform customs rules and on preventing the use of quotas and other restrictions on the free sale of goods on the country's territory;

on elaborating uniform methodological principles for bookkeeping and accounting.

The measures to improve the economy and switch to the market and the stages in their implementation are directly bound up with political stability in society and the normal functioning of the organs of power and administration. The actual state of affairs requires the immediate introduction of amendments to the mechanism by which decisions are reached and implemented, as well as to the working forms and methods of all levels of legislative and executive power, and the enhancement of the personal responsibility borne by officials involved in implementing these program measures.

Deputy Shatalov Apologizes for Coup Confusion

PM2210091990 Moscow SOVETSKAYA ROSSIYA in Russian 21 Oct 90 Second Edition p 3

[Feature comprising letter from RSFSR People's Deputy S. Shatalov, comment by SOVETSKAYA ROSSIYA, and letter from Major M. Pustobayev under the rubric "Letters About Power from Deputies": "Why Confuse People"]

[Text] N. Belan's article "The 'Military Coup': Dispelling the Myth", which was carried on 16 October and which distorts my position beyond all recognition, has forced me to write to your newspaper. Any reader who did not attend the meeting at the Air Force Staff can draw just one conclusion: Major M. Pustobayev and RSFSR [Russian Soviet Federated Socialist Republic] People's Deputy N. Shatalov are agitating public opinion to no purpose, on the basis of personal and totally groundless conjectures.

Meanwhile, by no means everything in this story is as simple and as obvious as N. Belan thinks. We all attended a meeting with the Air Force, Military Transport Aviation, and Airborne Troops commands, which lasted 90 minutes and at which he heard more than just what he wanted to hear.

Let me refresh readers' memories. It was during the night on 10 September that a large contingent from the Pskov Paratroop Division was suddenly moved by heavy aircraft near Moscow. The paratroops were in full combat gear, with helmets, bulletproof vests, and combat equipment. The Military Transport Aviation deputy commander who met them briefed them that, in reply to any questions, they should say that they had arrived for

parade rehearsals. The airmen spent 34 hours in their aircraft on a one-hour alert, while the paratroops waited in the forest, under the rain. The contingent then flew on to Bryansk Oblast, returning to Pskov 13 October. None of those involved managed to find out the purpose of these flights.

This could possibly have been the end of everything. But that which followed was most amazing. Strange answers were given to questions asked by USSR Supreme Soviet deputies. A. Lukyanov initially declared that the paratroops were on their way to Moscow for parade rehearsals. Nor were deputies' doubts dispelled by D. Yazov, who did not even mention the Pskov Division, while the KGB chairman declared that he was not aware of any troop movements in the Moscow region. And finally, TASS carried a report from the Air Defense Forces staff to the effect that there were no records of flights by heavy transport aircraft to the Moscow region in September. And if we were to add that the president was not in the country at the time these events started unfolding?

These were the circumstances which forced M. Pustobayev to act according to the promptings by his civic conscience. Maybe I should have met the regiment commander and the Military Transport Aviation and Airborne Troops commanders. But would I have obtained from them any information different from the official story?

In the course of numerous "conversations" between the command and Maj. M. Pustobayev (one of which I also attended), we were shown a map and were persuaded that what had happened were only ordinary scheduled snap exercises. All well and good if this is true. But officers who are also RSFSR deputies believe that it is quite easy to prepare a map and put any date on it.

Let us accept that these were exercises. Seeing that news about them became public knowledge, prompted questions, and agitated public opinion, then it was the duty of the defense minister and other officials to provide exhaustive and—unfailingly—truthful information. But this did not happen.

And one last point. Following M. Pustobayev's press and television statements, he was subjected to constant pressure by the high command [vyssheye kommandovaniye] over a four-day period. While I am writing these lines, he is facing the officers' assembly of his own regiment. Where will it all end? Nobody expected a favorable outcome, least of all the major. But M. Pustobayev did take a civic step, which would be beyond the courage of many others, especially those who are only six months away from retiring on pension. The regiment's officers fully support their colleague in the course of private conversations, but how will they behave at the officers' assembly?

[Signed] RSFSR People's Deputy S. Shatalov

A Necessary Commentary

Here we have metamorphoses worthy of Ovid himself. RSFSR People's Deputy S. Shatalov gives our newspaper an interview on Monday, his statements are printed verbatim (the editorial office has a tape recording), and one day later we receive a retraction.

Why be crafty, Sergey Dmitriyevich? Just think back over what happened. Following the meeting with the Air Force and Airborne Troops commands, a correspondent asked you: Now that this conversation has taken place and all explanations have been provided, what is your stance regarding the troop movements near Moscow? You unambiguously replied that you had been convinced: This had indeed been a scheduled snap inspection on units and subunits. Nobody pressured you, nobody forced you to speak up. What distortion of position are we talking about? Yes indeed, during the meeting with the military you put forward the arguments contained in your letter, the quest for truth lasted more than an hour, but we were interested in conclusions. And we published them.

We could not quite understand why, having had a chat with Maj. M. Pustobayev, you did not visit the unit—its commander and the other airmen officers. They did after all vote for you, surely they would have clarified the situation? You ask a rhetorical question in this context in your letter. Do you not trust those who trusted you and voted for you? Strange, especially since you claimed something quite different in the interview: You expressed regret, you should have approached the command.

And finally, regarding the alleged "constant pressure" on Maj. M. Pustobayev. We asked him on several occasions, and on each occasion the answer was: There has been and there is no pressure. It has become known that he informed KOMSOMOLSKAYA PRAVDA accordingly, and also says so in the explanation published by the Military Transport Aviation.

From Maj. M. Pustobayev

On reading through the periodical press, in just one week I came across five or six remarks in different newspapers speculating on the topic of an actual or attempted military coup. Furthermore, the KOMSOMOLSKAYA PRAVDA article entitled "And Someone Thought That Exercises Were Under Way" made reference to an opinion expressed by Colonel S. Kudinov, chief of the Ryazan Airborne Troops School Political Department, emphasizing the unusual course of events when bringing Ryazan Garrison units to a state of readiness. The article in question made me think about the unusual way our own unit was brought to a state of readiness and the way the assault force behaved.

I decided to share my doubts with RSFSR People's Deputy S. Shatalov, who reinforced my views and offered to help me take part in the "Vzglyad" program in Pskov and to have my letter to the USSR president

published in abbreviated form by KOMSOMOLSKAYA PRAVDA. I accepted this offer in the belief that I would be physically destroyed if this letter were to fall in the hands of those opposed to M.S. Gorbachev and interested in a military coup.

Later on, on 14 October 1990, I was received by the Military Transport Aviation commander and was shown a series of documents confirming our unit's participation in exercises scheduled to be held 9-13 September. I had no doubt that these documents were genuine, and this was indirectly confirmed by similar documents which I was shown at the Airborne Troops command.

All the aforementioned makes it possible to conclude that my incorrect actions were prompted by inadequate information. I regret what has happened and I honestly and sincerely repent for having confused our country's people.

Ryzhkov Interviewed After Consultations

LD2010220290 Moscow Television Service in Russian 1840 GMT 20 Oct 90

[Interview with USSR Prime Minister Nikolay Ivanovich Ryzhkov by journalists Vadim Lobachenko of GOSTELRADIO, Lyudmila Shvedova of TASS, Sergey Balyutskiy of RABOCHAYA TRIBUNA, Aleksandr Protsenko of IZVESTIYA, Vitaliy Golovachev of TRUD, and an unidentified journalist; from the "In the USSR Government" program; date and place not given—live or recorded]

[Text] [Lobachenko] Nikolay Ivanovich, another week has passed since our meeting, a week full of important events. The choice is so great that perhaps this time you will yourself choose the topic for our conversation within the framework of the usual television program "In the USSR Government"—all the more so as a group of our journalists has come to meet you today, having found out about the meeting between the delegation, the union delegation and the Lithuanian delegation.

[Ryzhkov] I would single out, in the first instance, of course, the sitting of the Supreme Soviet which considered the main directions of the transition to market relations which was submitted by our country's president. That took place yesterday. There was quite a thorough exchange of opinions. I think that in actual fact those programs which were submitted previously—both the program elaborated under the leadership of academician Shatalin and the governmental program, and then the combined program by Aganbegyan—all of these documents have permitted a single document to be created now, this is what the main directions represent and is what was discussed yesterday.

The discussion was very, as I said, thorough but—the main thing—it was constructive. And a decision was adopted. I am very satisfied that we eventually found a common language. This does not mean that all of the issues there have been resolved. There are certain elements there, certain clauses, which need to be worked on. But the main things are contained within this document. It gives us the opportunity of organizing work now on the implementation of the main directions and the republics have the opportunity now, guided by these main directions, of elaborating their own specific programs for the transition to the market. So I single out precisely this moment in the life of our country during this week.

On Thursday, we devoted the whole day to a meeting with the chairmen of the Councils of Ministers of the union republics. All the chairmen were present and we considered the fundamental issues connected with preparing the work of the national economy for 1991. You know, we are very seriously and greatly concerned about 1991. I have repeatedly spoken about this and am still repeating that we need to make speedy preparations for 1991. A little more than two months remain. The meeting with the prime ministers showed that it really is possible to resolve a number of issues and we to a great extent resolved the fundamental issues connected with work of the national economy in 1991. Of course, a number of disagreements remained, which must still be smoothed over. But we have at least laid the foundations for 1991 and it is now necessary, in the near future, to definitively decide on the main indicators for the work of the national economy for 1991 so that these may both be discussed with the republics and submitted to the USSR Supreme Soviet.

These were perhaps the two main topics of the last week. And now, a few minutes ago, we ended our talks with the Lithuanian Republic.

[Lobachenko] Were they lengthy, lasting for hours?

[Ryzhkov] Yes, we began the talks at 1100 today and it's now 1800, unless I am mistaken. And we conducted those talks virtually without a break. They were very tense, very complex, but they are not officially termed talks—this was the second consultative meeting. The first was on 11 [corrects himself] 2 October and now today, the 20th, the second consultative meeting has been held.

Whereas the first meeting was concerned more with procedural matters and only touched upon a number of, well, individual problems, today, of course, we were already discussing more fundamental things. At the previous meeting we set up a working group. The union delegation was headed by Comrade Vitally Khusseynovich Doguzhiyev, and on the side of the Lithuanian Republic by Ozolas, deputy premier Ozolas. They have been working since then and have put together a list of issues, a list of problems that have to be discussed at the talks. They have specified who is responsible for implementation and have set concrete time frames, the time frames in which this or that problem is to be worked out and submitted for consideration by these delegations. So today we had, in effect, a very detailed discussion of the

problems. This is the most important thing. What would I single out from today's talks? As far as the individual issues are concerned—they were discussed, the individual issues, and then the timetable for further talks was discussed—I would single out the following. We, have now finaly decided once again that all tne privileges due to participants in the Great Patriotic War resident in Lithuania...that the privileges existing in the Soviet Union apply fully to them. The Lithuanian delegation today again said firmly and showed a document under which everything will carried out strictly in line with union law.

The part of the talks concerning the involvement of groups or respresentatives, representatives of other nationalities...

[Lobachenko, interrupting] Russians, Poles...

[Ryzhkov] Russians, Poles, or let's say representatives of state enterprises and public movements, was very detailed and I would even say tense. Incidentally, this issue was brought up last time too, but we decided to continue the conversation today. Today, once again, the Lithuanian side turned this down. We are categorically insisting once again, given that there are different views, the view of the Polish population, the view of the Russian-speaking population resident in Lithuania, the view of the state enterprise—we insisted once again today that representatives of these movements or of other nationalities should be present at the talks as observers.

They are taking a hard line and we do not understand why. After all, why cannot three or four people attend in the capacity of observers? They do not have voting rights, but at least they would hear everything being said and in the end they might at least put forward their own views. The real point is whether the delegations should take this or that decision or not.

We are therefore dissatisfied with the Lithuanian delegations's stance on this issue. We told them directly today that this is unaceptable and it is wrong for them to behave in such a way. One cannot refuse to grant people with different views the opportunity to take part. This is indeed undemocratic and is not in line with today's democracy and glasnost in our country.

Other issues were also touched upon. Such as, as it were, the establishment of customs points. Let us suppose customs points are set up which do not let out or, on the contrary, do not let in certain goods. We also expressed these thoughts.

There was a very serious conversation about the call-up to the Soviet Army. This was an initiative by the Lithuanian side. They raised the issue of the fall call-up—if it has not been carried out, or it has at least not been fully carried out—and, they say, if people evade the call-up no measures should be taken against these people. We stated firmly that a constitution exists in our country. That the Lithuanian Republic is part of the Soviet Union. And the constitution extends over the whole territory. Laws on universal military obligation exist. Therefore everyone is obliged to serve. No allowances can be made here.

We said we could meet them half-way, so that some of the details could be considered. So that a section of the young men called up for service in Lithuania could carry out, let us suppose, their service directly within the republic or in some other units. In this issue, we expressed thoughts along the line that this could be considered. But the main thing is not to violate the fundamentals, not to violate the law on universal military duty. So there was here, I would say, a tough conversation and we firmly stated that we could not make concessions on this, we cannot. We agreed that we will issue instructions that work be continued in these directions.

These are individual issues on which we held the talks. Of course, a special place is occupied by 1991. It worries them, people, and we expressed thoughts along the lines that very many conversations are being held by the leadership of the republic—about, let us suppose, 1991—and practically nothing is being done, if one speaks frankly. Nothing is being done. On the second of the month we spoke. We even insisted: hurry up and solve issues connected with 1991. Almost 20 days have passed and nothing, there has been no change. And today, we have once again warned—if they are going to participate in the work of a single national economic complex then let us sit down and resolve these issues together with Gosplan and other central economic departments. If not then, it should be said that they are not going to participate. But we felt that, evidently, the leadership of the republic is not dealing very specifically with the national economy. We felt this. That in general terms it is dealing with it, but when it comes to the specifics... and this after all concerns the life of the people, this does not simply mean proclaiming slogans or appeals of some kind, this concerns the life of people who live and work in this republic. It was therefore stated that they need to start, without delay, on this work and they agreed that from Monday or Tuesday representatives would come and begin to do what should have been done a month or one and a half months ago. This is what concerns the topics whic we discussed specifically.

The second section of issues is about the start of the talks. The fact is that the first meeting which took place on 2 October and today's meeting are called consultative meetings—although we do not see a difference between a consultative meeting and a negotiating process, and no one could explain the difference clearly to us. Nevertheless, if they are called a consultative meeting we agreed to this. But, we discussed the issue of when the talks would begin for several consecutive hours. The talks. Well, we could have more consultations, the second, third, fifth [as heard]. But we must begin to hold talks, after all. And there were—I would say—heated discussions around this issue. We insisted that the date for the beginning of

the talks be determined. We realized that the Lithuanian leadership was avoiding beginning talks. We realized this.

I am aware that they will see this program. Today, however, we told them to their faces that the mood that existed several months ago when Lithuania was pushing all the time—let's hold talks, let's make decisions—this evidently been turned back to front. We are the ones who are saying: Let us come to the table and tackle these problems; let us hold talks.

We are pushed away all the time with the words: No, let us think, there are preliminary conditions and preliminary protocols, only after that can the start of the talks be determined.

All in all, the discussion was tense and, in the end, we agreed today that the start of the talks will be in the last 10 days of November. The last 10 days. Before then, a protocol will, at their request, be drafted. For 10 days, the working group will be drafting an appropriate protocol. But we have established that in the last 10 days we will start the talks.

It is not so much that this position was unexpected for us. It was incomprehensible. It was incomprehensible why the start of the talks was being delayed.

[Shvedova] How, and according to which principles, Nikolay Ivanovich, do you think economic relations between the USSR and Lithuania should be built now and in the future? Can the "Guidelines on the Stabilization of the National Economy and the Transition to the Market Economy" that was approved by the Supreme Soviet yesterday serve as the basis for these relations?

[Ryzhkov] From all the conversations and meetings with the Lithuanian leadership we have reached the firm conclusion that the Lithuanian leadership understands that they cannot live at present without the economy of our country. They are very well aware of this and if, at the political level, there is talk of the need to leave the Soviet Union or to have some kind of special situation, when it comes to the economy, everything falls, so to speak, into place and they understand that they can only live at present within a single economic space. We understood this today, the fact that this is their position. It has to be said that it is a realistic position. They are not capable today of, let's say, fencing themselves off from all the republics and living as another, independent state. That's not realistic for them at present and they are very well aware of that.

As for whether the guidelines for the transition to market relations will operate, I think it is quite likely. Even today's talks indicated that the principles enshrined in the guidelines are acceptable not only for all the other republics, but for Lithuania, too, so that it is quite possible that they will be guided by them.

[Lobachenko] On precisely that issue, as we have begun to talk about yesterday's meeting at the Supreme Soviet: We have articles published in today's NEW YORK TIMES and FINANCIAL TIMES, which are devoted to this. They regard yesterday as an historic event. Take the headline in THE NEW YORK TIMES: the most important thing is stability, and stability above all. Stabilization and the need for concord in the country are also spoken of in the FINANICAL TIMES. I think this corresponds directly to your own statement yesterday.

[Ryzhkov] I dwelt deliberately upon this in my speech yesterday and I should like to say once again that I am convinced that if the process of stabilization does not begin in our country, no program will work. No program at all. The country needs stabilization today, political stabilization and economic stabilization, perhaps too stabilization at the purely psychological level. We really do need today to make the economy stable. We must think out everything in order to have a very strong basis on which to begin our advance.

This is not a diversion. Some people, when they talk about stabilization, claim that stabilization is not progress. I do not think that stabilization is a diversion. It is an invariable condition of progress.

In any offensive for instance, there are times when there has to be a halt, when the forces have to be regrouped or reinforced in order to launch the offensive once again, and perhaps that time has now come, when the national economy must be stabilized to prevent everything falling apart or being torn apart.

As I said yesterday, the economic fabric is being torn apart today. Economic arteries are, literally, being cut. This cannot be tolerated. Stabilization is required and on the basis of stabilization we must move forward both to market relations and to other methods of economic management to resolve the tasks that face us and, most importantly, to improve the situation in the country.

[Balyutskiy] Nikolay Ivanovich, you said that you have no doubt about Lithuania participating in the future market. Yet at the same time the "Main Directions for Transition to the Market Economy" speak of the need for a common system of currency circulation. Yet there have been reports in Lithuania—I am from Lithuania and I would say these reports have prompted a great reaction—about the republic starting to print its own money. What would be your comment on this report?

[Ryzhkov] If Lithuania is to introduce its own money—and I do not know what it would be called—then there can be no question of the unified economic space, as it refers to the union, applying to Lithuania's economy. That is quite evident. The unified economic space, the unified economy, can exist only if there is a unified currency and financial system applying to the whole country. If it starts breaking into pieces then these pieces will have to go their own way. And in the case in point, as far as Lithuania is concerned, if they are to introduce their own currency unit then they have to go over to completely different economic relations with the other republics and with the Soviet Union as a whole.

[Unidentified journalist] So that would concern customs arrangements?

[Ryzhkov] Yes, in that case a whole infrastructure would have to be created. Frontiers would have to be established, customs arrangements set up. Trade, for instance, would have to be according to some other pricing arrangements, world prices. This would be an entirely different economic model. Therefore, I know that talks have been conducted about creating their own money. In this country we often use the idea of national currencies when what we mean is coupons, primitive coupons. So, if this is some kind of primitive coupon to enable consumption to be normalized or regulated, that is one thing. But if this is really a currency unit, then that is a quite different picture. But there was no discussion of that today; the matter had not even been suggested. It seems to me that if the Lithuanian comrades want to go for a new currency unit that will be a great jolt for Lithuania. And they themselves do not realize what will happen in that case.

[Protsenko] Any talks consist of mutual concessions of one kind or another, compromise of one kind or another, a seeking for common ways. So can it be considered today that talks are underway, not to say...regardless of the fact that they may be called consultations? Let me ask, therefore, what concessions might the union government offer, or is it offering, and what reciprocal concessions have you managed to elicit from Lithuania?

[Ryzhkov] There is a position of principle, a question of principle, where Lithuania is concerned. Both the previous meeting and today's meeting took place under the proviso that there should be no prior conditions. Yes, at previous meetings the Lithuanian side presented us with what were in effect the end goals. We then said: what are we holding talks for? If you have already set the final end goals, what then is the point of holding talks? Talks exist, when all is said and done, to determine certain things: what will be Lithuania's status? Will it secede from the Soviet Union? Will it remain within the Soviet Union? Or perhaps it will have a special position? Any of these options might come about, and so we immediately told the Lithuanian leadership, the Lithuanian delegation, that we would not hold any talks at all if we were to be presented with prior conditions.

That is the reason for the moratorium they declared. This is the basis for sitting down at the negotiating table. And so we are meeting for a second time. So, if preliminary conditions are set, then there is a law for the withdrawal of a republic from the Soviet Union, and then we have to act strictly in accordance with that law. So there is complete clarity here, and we consider in the last resort that the talks should bring us final results.

I am not really convinced that in the end Lithuania will get to the point of saying: We shall leave the Soviet Union. After all, we have to look at a package of questions. Today, with this document, the working schedule prepared by the working group, we stipulated 10 clauses of principle which we have to discuss: the law on property, or rather, property, the issue of property, the issue of borders, the issue of the freedom and rights of citizens, that's to say a whole series of issues which is essential to tackle. So when these issues have been discussed we have to define things: so, property, economic and commercial relations, the financial system and banks, transport, communications, energy, guarantees of the rights and freedoms of citizens their social security, humanitarian, scientific and cultural issues, the issue of the army and defense capability, the issue of state security and the border system, and so on. So, 10 problems which have to have answers. That's to say, for each problem a group of people has been formed, and they have to get down to it. So we shall work at it, and then, as they say, the Lithuanian leadership will have to decide its position.

That there will be compromises, yes. In any talks there is a general principle of compromise. Of course we are somehow moving toward making compromises with each, because if we do not make compromises we might as well break up after a couple of hours and stop there.

[Unidentified Ryzhkov aide] The majority of the republics have come out in favor of a Union treaty. There are not many who have said they might leave the Union, as you know.

[Unidentified journalist] Most realize that they can only get out of the economic crisis by working together.

[Ryzhkov] No, it is now impossible to get out alone. You won't get out alone. And it will be even more difficult to live alone in the future. We have seen for ourselves now, as economic links are breaking, because these economic relations have been very badly violated, we can see just how integrated we are. Before we used to say all this on paper, as if we were trying to convince each other, but now just look and see what is happening. After all, there is integration, integration on a huge scale: how can we break our country up into pieces today?

[Golovachev] Nikolay Ivanovich, I have a difficult question. The government today is perhaps not in the very best position, in the country feelings about the activity of the Council of Ministers are mixed. Does this not have an influence on the course of the talks? This pressure which is sometimes applied in the localities and all these things?

[Ryzhkov] Yesterday, in my speech to the Supreme Soviet I said—and in our Friday conversations, I have always been saying—that it is essential to strengthen the executive authority. In my opinion all our troubles are rooted in the fact that the laws here are not being carried out today. That's to say not all the laws being adopted by the Supreme Soviet of the USSR, or the decrees of the president of the country, or the decisions of the Council of Ministers are being carried out. If these laws do not pass here from above down, there will be no order. Our mechanism will always be out of order. And once it is out

of order, there will be failures, and there will be the kind of unpleasantnesses which exist today in the national economy.

So that is the government's position, and we are constantly obliged to work on these issues, although I think that the legislative bodies, too, should work on this issue more, and implement their laws in the proper way. But if the government finds itself in such a state it does not mean that it will affect the talks with Lithuania—not in the least. We are behaving as we should. We are pursuing, standing guard over the Union as a whole, and indeed I should mention that we are primarily concerned and worried about the destiny of those who live in Lithuania. This is the main question. The main question. We are receiving a colossal number of letters and telegrams from there about the abnormalities existing there. Today we submitted to the Lithuanian delegation a very large number of complaints about the impermissible decisions being made in that republic, aimed either at damaging some party or damaging some group or people, and so on.

[Balyutskiy] Many economists and even politicians in Lithuania are saying that we can get by with direct horizontal links. We do not need the Union. We will conclude treaties with, let's say, Moldavia, the Russian Soviet Federated Socialist Republic, Georgia and so on and so forth, and will exist perfectly well.

[Ryzhkov] There was a discussion of the need for horizontal links, though we received a letter the day before yesterday from Prime Minister Prunskiene saying that we will work on horizontal links between twelve republics—without the three Baltic republics, that is—plus C, the center, that is. Today we said that if in fact the Lithuanian Republic is capable of resolving all issues horizontally with all the Union republics, with twelve or fourteen Union republics, we would only welcome that. But we warn you that for the moment this is unrealistic. In a few years it may be perfectly realistic. So if you conclude treaties we will not object, but then she asked us if we would act as guarantor. I said: Forgive me, but when you were concluding the treaties you did not sit us down beside you. So why should we be guarantors? No, you have agreed among yourselves, so take it to a court of arbitration—we have our arbitration service—so take it to court, as they say, and decide it in law.

I realized today that there has now been a sobering up—that, you see, there must, of course be horizontal links—and incidentally, we welcome horizontal relations between the republics—but at the same time I realized that on Monday and Tuesday intensive work will begin with the center on the products and issues within the center's jurisdiction.

So I am, generally speaking, in favor of the first version. But it is not realistic today; it is not realistic. The sooner the Lithuanian leadership understands this, the better. In general, the Lithuanian leadership needs to concern itself more with the economy, to concern itself more with people's lives.

[Lobachenko] Nikolay Ivanovich, you have had a difficult day. Thank you—I think that I am expressing the general opinion—thank you for sparing your attention, your time for us. I wish you success in your work.

[Ryzhkov] Thank you. And thank you for waiting for us. I'm sorry we were so long. [laughs]

[Lobachenko] Thank you.

[Ryzhkov] All the best.

Gorbachev Not Planning To Resign Party Post

LD2010131190 Moscow World Service in Russian 1030 GMT 20 Oct 90

[INTERFAX report from the "Soviet Chronicle" feature of the "Soviet Union Day by Day" program]

[Text] Mikhail Gorbachev, the USSR president and general secretary of the CPSU Central Committee, answering the call of a deputy of the Union parliament to resign as general secretary, said that he is convinced that today this combination is still needed. Gorbachev said that tomorrow—I am also convinced of it—it will no longer be necessary. Of course, it is extemely difficult to occupy two such posts, but one must bear it, as the benefits for society and the state from this combination far outweigh possible losses from it. Incidentally, this issue, Gorbachev continued, was discussed at the latest plenum of the CPSU Central Committee, and a decision was adopted not to raise the issue of separating the posts in order not to alter the mood of the 28th party congress. I still think that it is a temporary phenomenon. The process of setting up bodies of power is taking place now. When it is over, and when our democratic principles are firmly established and consolidated, then the need for this combination will disappear.

Gorbachev Nobel Prize Award Assessed

PM1810143390 Moscow IZVESTIYA in Russian 17 Oct 90 Morning Edition p 1

[Stanislav Kondrashov "Political Observer's Opinion": "Nobel Laurels and Life's Thorny Path"]

[Excerpt] [passage omitted] The Nobel Committee's citation pays tribute to M.S. Gorbachev's "decisive contribution" and "leading role" in today's world processes. This implies, aside from anything else, the peace-settlement process in Afghanistan. In the Nobel lecture he was unable to deliver personally in Oslo, Sakharov stressed human rights: "I support the thesis of the primary, decisive significance of civil and political rights in shaping human destiny." The theme was anathema to us at the time. Not even "Amnesty International," an organization we used to curse, which, incidentally,

received the Nobel Peace Prize in 1977, can find fault with us now in relation to human rights.

The fact that the head of the Soviet state is now among the prizewinners shows how far we have come. Although the path taken by politicians is not as straight, as easy, and as free of fears as that of humanists and defenders of human rights.

I witnessed Gorbachev's international debut in Geneva in November 1985. A chill wind was blowing off the celebrated lake when he arrived at "Fleur d'Eau" villa and shook Ronald Reagan by the hand on the front steps in the presence of us journalists who were permitted to be there. There began a dialogue that is now continuing with Bush. "Doveryay, no proveryay," [trust, but verify]—Reagan learned the Russian phrase and loved to repeat it. They used medium-range missiles for verification. They used Afghanistan. They used military budgets and armed forces reductions. The more they verified, the more they trusted one another. They recognized that the Soviet leadership's placing general human values above class values was not empty words. That Moscow remained true to the principle of freedom of choice even in the seismic circumstances of the East European states' fall from its orbit: Difficult, grave even, but that was the peoples' choice.

So, as Germany unites, the laurel wreath of Nobel Prize winner has been offered to the Soviet president from Oslo, from the other side of the barricade. On a day when the USSR foreign minister (by rights, he should have a share of the wreath) was delivering a report at an authoritative Supreme Soviet on cooperation within the UN framework against Iraqi aggression, on the final furlong of the Vienna talks on the reduction of conventional armed forces and armaments from the Atlantic to the Urals, and on the preparations for the November Paris summit conference, where the foundation will effectively be laid for a new security system in the new Europe.

Politicians are not humanists and they are not poets. However, for some reason I am reminded of what one poet said about another: "...they placed on him a crown of thorns entwined with laurel leaves; but the hidden spikes made deep wounds in that famous brow."

At a time of unprecedented international recognition, marked by the Nobel Peace Prize, Gorbachev is more heavily besieged than ever by the most acute internal problems. His authority at home is not as great and as indisputable as it is in the West: People's lives are deteriorating and the prospects for an escape from the impasse of economic crisis remain very uncertain. These are not hidden spikes; they are there for all to see and stand out in the light of glasnost. The president has no time to celebrate. Having met with television reporters, Gorbachev returned to his report on the stabilization of the economy and ways of effecting the transition to the market. At the end of the week the prizewinner will speak in parliament and parliament's decision will be fateful (to use one of Gorbachev's favorite words) indeed.

Indeed, peace between the two superpowers, between East and West, is to a decisive extent assured; this, I believe, could also be confirmed by U.S. Defense Secretary Cheney, who arrives in Moscow this very day—what terribly busy days! But there is no peace inside the country. The word—peace—is now more often heard in relation to domestic, civil peace, than to international peace. Alas, we have come a long way in this area too in the past five years. And who can say what awaits us at the end of the new road? The centrifugal forces that destroyed the facade of the socialist community are fully at work within the traditional confines of our state, jeopardizing the existence of the Soviet Union—the Soviet Union that foreigners and now we ourselves call an empire. How are we to be kept together in a different Union, in a Union of sovereign republics and states? The task of creation is much harder than the task of dismantling the old world, the old statehood.

A Nobel Peace Prize winner, Martin Luther King, who sought civil rights for black Americans and civil accord within the United States, once said: Either we learn to live in our world as brothers or we perish as fools. These strong words also convey the dilemma of our times and determine the size of the responsibility of those involved in the process of redistribution of power that is taking place in the Soviet Union.

If you scan the list of Nobel Peace Prize winners of the last 25 years you see what a variety of people and organizations they are, what a variety of reasons there was for the award. King, as we have said... The UN Children's Fund... Willy Brandt... Kissinger and Le Duc Tho—peace in Vietnam, which was soon destroyed for the sake of the final decisive battle for Saigon... Al-Sadat and Begin—the process of Egyptian-Israeli normalization, for which Al-Sadat was killed during a parade in Cairo... Mother Teresa of Calcutta... Lech Walesa... "Physicians for the Prevention of Nuclear War"...

In fact, never before have the grounds been as historic and the tasks as gigantic, to which the new prizewinner is to make his contribution.

Yeltsin Advised To Take 'A Few Days' Rest'

PM2010213390 Moscow KOMSOMOLSKAYA PRAVDA in Russian 21 Oct 90 p 1

[Unattributed report: "What's Up With Yeltsin?"]

[Text] Rumors have been flying around the entire country for the last three or four days that B.N. Yeltsin's health has drastically deteriorated. It is even claimed that he is almost at death's door. People are calling from Voronezh and Krasnoyarsk, foreign correspondents and Foreign Ministry officials are making telephone calls...

We have been reliably informed by circles close to the chairman that his health is fine. The medics have simply recommended that he take a few days' rest. As for the crowd of alarmed citizens who have gathered outside B.N. Yeltsin's home from early morning in response to the rumors—that is a fact [accompanying uncaptioned photograph shows people standing in line]. Admittedly, there is a different cause for the panic—a book store has been selling the novel "The Godfather" since first thing this morning.

Oleg Kalugin Discusses KGB Career

91UF0049A Tallinn MOLODEZH ESTONII in Russian 18 Sep 90 p 2

[Report on interview with Oleg Kalugin, the "demoted" KGB general and USSR people's deputy, by MOLODEZH ESTONII special correspondent Mark Levin; place and date not given: "A Step Under the Falling Bricks"]

[Text] [Levin] While you, Oleg Danyilovich, a most experienced KGB official, were starting your rebellion, you must have calculated to yourself the full power of the wrath you would cause. And truly, a real storm broke loose... Even the USSR president himself did not stay out of the picture: As recommended by the USSR KGB, he signed a decree stripping you of your government awards. How many of them did you have, by the way?

[Kalugin] Twenty-two.

[Levin] Did you feel sorry to lose them?

[Kalugin] They did not drop into my lap out of nowhere. And as for my expectations, I could not conceive of the president himself getting into this. I could not imagine that Mikhail Sergeyevich, father of perestroyka and a fighter for a rule-of-law state, would do something like this to undermine his own authority. It is illegal to take away somebody's awards just by volition. Is it a case of "I reward or punish—whichever way I feel?" I would put it this way: As a result, he shared some of his prestige with me, i.e. Gorbachev lost some of his prestige in this affair and I gained some. It was rather unexpected for me, particularly since I thought that Gorbachev wanted some reforms in the KGB. But it turned out that he was far from wanting them, he was even afraid of them. This last fact is rather unfortunate: The KGB has some people who are anxious to see perestroyka succeed, but perestroyka is pure poison for the structure and the leaders of the Committee even though they welcome the renewal on paper. This is nothing but mimicry.

[Levin] So, in your opinion, the USSR KGB cannot serve as a guarantor of perestroyka?

[Kalugin] No, it cannot. And here is an example of that. Do you remember the slogan "The Cadre Determines It All"? This is how it is. Lieutenant General Tolkunov, 75, an Inspectorate Chief, is still working in the KGB. That is, he is in charge of all the KGB bureaucrats in the country. Time to rest, it seems. But nobody offers him retirement. Is it because in the old days he was in charge of the KGB Administration in the Stavropol area? In those days exactly when the present USSR president also was working there. I do not have any facts allowing me to judge whether the president depends on the committee, but there is something to think about, isn't there? Especially, that there is nobody else of Tolkunov's age in the lists of active KGB officials.

[Levin] We know that you came to work for the KGB of your own free will. Why did you choose it?

[Kalugin] Since my youth I was interested in foreign politics. Since I was 14 I have listened to the BBC English programs.

[Levin] Now BBC can use this phrase to advertise their work.

[Kalugin] Probably they can. Though it would look rather amusing. Later I enrolled in the languages department of Leningrad University; there I started to learn languages professionally. When I finished I had to find some application for my knowledge and for my love of political things.

[Levin] I studied at the language department also; however, I did not join the KGB.

[Kalugin] Well, after school I wanted to study at the Institute of International Relations, but I understood that trying to get into it was not for me. And when I received my university diploma, I realized that my choices were very limited. The Ministry of Foreign Affairs [MID] had no offices in Leningrad; TASS was not going to open a foreign press bureau in our city either. But in the KGB one could find a field to suit one's needs. And another thing: I believed fanatically in the righteousness of the CPSU cause—remember that was in 1957, the prime time of the "thaw period." I was anxious to contribute to the renewal of our country, to cleanse it from the Stalin heritage. I sincerely imagined the KGB to be the very organization that would be able to move us faster under the new conditions, to our "radiant future." In those days, I definitely would not have put quotation marks around this verbal and ideological cliche. I seriously believed that our generation was destined to live under communism. And if I add that my father had served in the People's Commissariat of Internal Affairs [NKVD], then it will become clear why I went to work there (after my "rebellion," USSR KGB Chairman Kryuchkov presented the fact in this gaudy light—allegedly, Oleg Kalugin had used his connections even to get into the KGB). But my father, with his six classes of school, worked as a security guard there. The only thing he could do with such qualifications was guard the very building of the Leningrad NKVD. He retired at 55, his service pension being R78. He did not like his "joint" too much, though, and did not want me to work there. Could he have been right? His son, at least, having served there for over 30 years, has no pension at all. Here is a twist of fate for you. But there was one other reason

that brought me to the KGB. Like many others, I was overwhelmed with the romanticism of the profession, of being an intelligence agent. And it was because of my knowledge of several languages that I started working for intelligence right away. My dream came true.

[Levin] After having worked in this remarkable organization for so many years, you are in a difficult situation now. Do you understand that "outsiders" may not trust you: Your "tail" is too long for that? Quite a few people may feel suspicious—is not this Kalugin just an agent provocateur? Could he have been sent to us by the Jesuitical KGB? They always knew how to blend right in...

[Kalugin] I think, your opinion of our leadership and of its creative potential is a bit too high. Such an idea is not all that improbable in theory, but it can hardly be proposed, given the level of the current KGB leadership. It is too subtle for them. And another thing: This agent provocateur would be somewhat strange: He wants to strip the KGB of its unwritten "state within a state" status, to make their dealings open to the public, to make the KGB reportable, to cut down on their personnel, etc. All this to set up a provocation, right? We need an entirely different definition. And the decrees that fell upon me worded this definition quite unequivocally.

[Levin] You found yourself a stranger among your own KGB people. Would you become one of your new crowd—the democrats?

[Kalugin] This does not bother me too much, though now that I have become a deputy I cannot ignore public opinion. By my character, though, I was always independent. Remember Kipling's cat who walked alone? It is about me also. Well, everything will return to its place. Not right away, though, I understand that. Our people have completely lost their trust in decency and its signs and now it is easier for them to suspect one than to trust one.

[Levin] You are retired now. A retired KGB official—is it realistic?

[Kalugin] Very much so. Even though I might have preserved some of my professional habits. Some of my friends say openly that I have a typical, for my profession, approach: Whenever I see something interesting I try to hook it, to grab it for the benefit of the cause. But maybe it is the way I was born. It is hard to make a distinction here.

[Levin] Given your expertise and knowledge, your precise ideas on what the KGB and its functions should be, would you want to be the head of the Russian Federation KGB?

[Kalugin] No, I would not. However, I do not deny that I might be useful as a counselor or a consultant on those issues. But to head the KGB or even be employed there is not for me any more. My career in there is over with.

[Levin] Your rebellion against the KGB, its structures and leaders—was it not caused by the desire to settle an account because of a blocked career? All went marvelously for you: You became a general at 40, you headed the intelligence service of a superpower... But in Leningrad they "assigned" you to deal with internal problems—it was a demotion, was it not?

[Kalugin] That depends on the point of view. I came to Leningrad as a major general, but the position required a lieutenant general. If not for my rebellion, I would have gotten the second general's star on my shoulder boards in no time.

[Levin] What is your rebellion? Is it an act of repentance, in a way, for having been part of this rather specific organization whose name alone used to put fear into people? Or is it a way of reasserting yourself anew as a person?

[Kalugin] Primarily it is continuing on the same road. I am following the course I chose for myself in my youth when I went to work for the KGB. I am faithful to the destiny I set for myself—a fight for justice and sincerity. Now, of course, I am much more critical of the things I participate in or witness. But there is an element of repentance, too; I have worked for the organization that has a lot of evil on its account. And some of the blame for

intelligence service of a superpower... But in Leningrad they "assigned" you to deal with internal problems—it was a demotion, was it not?

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[Levin] Are you not at all afraid, Oleg Danilovich, that your former colleagues may take their revenge on you? You are an apostate from their point of view, are you not?

[Kalugin] Yes, that is quite possible. But I have somehow grown used to the idea since my conflicts with the

leadership date back to 1979. But had I spoken then as I did this year when I am not working for the Committee any more, they could have crushed me, of course. It was not through an oversight that I was not announced in anyway, anywhere when I had to speak at the meeting of the CPSU democratic platform about things that had remained so thoroughly hidden from the people until now. There was an agreement between us with the purpose of avoiding "an accident." They announced that General Kalugin would take the floor only ten minutes before I got to the podium. And after that appearance, it became more difficult "to get" me. And now it is still harder. But this danger cannot be excluded completely. However, all this is, kind of, a by-product, a side-issue and I treat this circumstance as such. And I hope that with time the KGB leaders will be replaced because there is a strong anti-Kryuchkov feeling there.

[Levin] How do you see yourself now: an experienced KGB official or a beginning politician?

[Kalugin] I do not see myself either as a KGB official, or a beginning politician. I have been involved in our foreign policy for over 30 years now. It was both my hobby and professional occupation. I used to head political intelligence at first, then political and scientific and technological, and counterintelligence services. But I am a beginning deputy, that is true.

[Levin] Now you will probably have to join one or the other wing of the deputies' corps. Have you found your place there already?

[Kalugin] I quit the CPSU just before the curtain fell on the 28th congress; it disappointed me and I decided that the road outlined at this forum would bring no tangible positive results to the society. Now I am asked to join the party of Travkin and some other... But I am not at all interested in any party activity. I will work for the interregional deputies' group but I do not want it to degenerate into a party. I would rather see it become an association, for instance. It is important for me to preserve my independence. But it is another matter when you have to live in a place where bricks may fall on your head. Then there will be results. I used this principle in my intelligence work, by the way, also. I would often advise my younger colleagues "to go walk under bricks." Otherwise we will stagnate.

[Levin] "Bricks" started dropping on you the moment you "jumped off," the moment you "rebelled." It must be hard and painful for you. Do you regret having drawn the fire to yourself?

[Kalugin] I worked for intelligence; it was a job for a man. So I am used to it in some degree. It is another story, though, that I have never been an object of persecution. But now... As I was running for deputy the Krasnodar press would not allow me to utter a single word, but they were always ready to print various invectives aimed at me.

[Levin] Here is a curious fact. When you were elected it was, basically, a repeat of the Gdlyan story. The bureaucracy struck out at Telman Khorenovich with all its power also. But it seems that the law of counteraction was triggered here, or it was the spirit of contradicting the authorities: If you, the bosses, are "against," then we, the rank-and-file, will vote "for!" Will our bureaucracy never learn?

[Kalugin] It is quite possible. The bureaucrats are too sure of themselves and of their power. And they are also sure of the usual blind trust of the "masses" who need to be guided and prodded. But that same Kuban has already awakened and the fact that I won the elections proves that the bureaucrats cannot use their old methods any more. But my election is not a victory for democracy yet, not even within the limits of Kuban. It is only a break in this direction.

[Levin] Do you believe that everything secret always comes out into the open sooner or later?

[Kalugin] I definitely do. The only question is when this "sooner or later" is going to come. It is unreasonable to wait till the grace of heaven is given to us; doing that we will succeed only in shoving the truth into a dark corner and burying it there. No, we have to clear the obstacles ourselves.

[Levin] Step under the bricks?

[Kalugin] You can put it that way. Let us remember only that these bricks can knock our brains out. And it is better to keep them. We will need them in our work.

Economic

Report Outlines Growth of 'Crisis Phenomena'

LD1910152490 Moscow TASS International Service in Russian 1308 GMT 19 Oct 90

["Results of USSR's socio-economic development during first nine months of 1990"—TASS headline]

[Text] Moscow, 19 Oct (TASS)—A report from the USSR State Committee for Statistics on the results of the USSR's socio-economic development during the first nine months of 1990 speaks of the growth of crisis phenomena in society. The scale of public sector production continues to fall, and its efficiency continues to decline. This is caused by the loss of national economic manageability, the impairment of economic ties, and a deterioration of discipline. The monetary-financial imbalance and the increase in prices of consumer goods are intensifying. During January-September this year, the gross national product was 1.5 percent down from a corresponding period last year, and public sector labor productivity also fell by 1.5 percent.

At the same time, there has been a tendency toward a reduction of the state budget deficit. The deficit has been reduced to 14.8 billion rubles as against a planned deficit

of R24.9 billion for the first six months. Moreover, the union budget deficit amounted to R25.9 billion. State budget revenue in January-July amounted to R262.4 billion compared with R257.2 billion during the corresponding period last year. The production of foodstuffs grew by 1.4 percent. The volume of production of non-food goods amounted to R115.4 billion, which is R13.16 billion more than in January-September 1989.

The overall volume of industrial output during the nine months was 0.9 percent down from the corresponding period last year, with the output of group "A" products falling by 2.9 percent, and the output of group "B" rising by 4.5 percent. During the first nine months of the current year, 1.7 times more money was put into circulation than during the corresponding period last year.

The monetary incomes of the population amounted to R461 billion, and were 14.4 percent up on January-September 1989. The summary index of consumer prices in January-September this year stood at 103.7 percent as compared with January-September last year. The value of the subsistence wage increased by 5.6 percent. The extent of inflationary processes amounted to over nine percent. The number of unemployed is put at roughly 2 million people.

In the agrarian sector, the volume of output and procurement of individual kinds of agricultural produce fell in comparison with January-September last year. The harvesting of grain crops is not complete in a whole series of regions.

Fulfillment Statistics Detailed

PM2110121590 Moscow IZVESTIYA in Russian 21 Oct 90 Union Edition p 2

[Unattributed report: "The First Nine Months Have Gone. Crisis Phenomena Growing. Leafing Through the USSR State Committee for Statistics Announcement on the USSR's Socioeconomic Development During the First Nine Months of 1990"]

[Text] The results of the country's socioeconomic development testify to the further growth of crisis phenomena in society. The scale of social production continues to narrow and its efficiency continues to decline. The negative trends which have emerged are due to the national economy's growing unmanageability, the breaching of economic ties, and the deterioration of labor and contractual discipline. The situation in the investment sphere is worsening. The commissioning of crucial production capacities, housing, and projects for social and cultural purposes has been thwarted. Compared with January-September last year, the volume of output and the purchases of some categories of agricultural produce have declined in the agrarian sector.

The monetary and financial imbalance in the country's economy is deteriorating, the emission of money has increased, and there has been a noticeable rise in prices of consumer goods. The faster growth of the population's incomes against the manufacture of output is increasingly aggravating the situation in the consumer market. The foreign trade balance remains negative.

Compared with the corresponding period of last year, **gross national product** declined by 1.5 percent, **produced national income** by 2.5 percent, and **social labor productivity** by 1.5 percent.

There was no improvement in the country's financial situation. At percent.

There was no improvement in the country's financial situation. At the same time, a trend toward reducing the state budget deficit emerged during the first half of the year as a result of the implementation of a package of financial recovery measures, reduction of defense expenditures, and increase of certain categories of incomes. For example, the deficit was reduced to 14.8 billion rubles [R] in January-July against a planned reduction of R24.9 billion for the first half of the year. The union budget deficit actually amounted to R25.9 billion, while the revenue section of union republic budgets exceeded the expenditures section by R11.1 billion. Nevertheless, as a result of additional expenditures which were approved after the budget had been ratified (repayment of earlier loans, introduction of new purchase prices for some categories of agricultural produce, and several others), the estimated state budget deficit at year's end will be somewhat greater than envisaged in estimates and in the plan.

State budget revenues in January-July amounted to R262.4 billion against R257.2 during the corresponding period of last year.

During January-August, the profit earned by the national economy (excluding agricultural organizations, the Main Administration for State Insurance, and consumer cooperatives) was R5.5 billion (3.9 percent) less than during the corresponding period of last year. There was a sizeable decline of profits (R4.6 billion or 5.3 percent) in industry.

Contractual commitments for output deliveries in January-September were fulfilled 98.1 percent, with 25 percent of enterprises failing to ensure their fulfillment (the figures for January-September 1989 were 98.7 percent and 21 percent, respectively).

There has been no reduction in the proportion of loss-making enterprises and organizations. It stands at seven percent of the total number of enterprises in industry, and nine percent in the construction industry.

The quantity of money released into circulation during the first nine months of this year was 1.7 times more than during the corresponding period of last year.

Credit investments [kreditnyye vlozheniya] in the national economy as a whole continued to decline. As of 1 October they had dropped by R31.5 billion (eight percent) compared with the beginning of the year, and amounted to R359.6 billion.

The commissioning of fixed assets funded by state capital investment amounted to R78.7 billion, which is six percent less than during the corresponding period of last year, against an eight-percent growth envisaged by the annual plan.

The program for the commissioning of state order projects during the first nine months has been thwarted. Only 25 projects out of 79 were commissioned and there were nine which were included in the fourth quarter's targets. Only 86 of the 228 state order projects for 1989, whose commissioning was not ensured last year, were commissioned, along with one project which had been planned for commissioning during the fourth quarter.

Special alarm is caused by lagging in the building of power industry projects, which could seriously complicate the national economy's work, including municipal service operations during the winter. The nine-month target for the commissioning of turbine electric power stations, representing only one-third of the annual target, was underfulfilled by 1.3 million kw. Furthermore, the volume of construction and installation work planned for January-September was fulfilled by less than 79 percent at 10 of the 23 projects scheduled for commissioning during the fourth quarter.

The shipment of freight on general purpose transport during the first nine months fell by 4.7 percent compared with the corresponding period of last year and amounted to 9.4 billion tonnes.

Transport operations were affected by the declining production of many categories of output; the breach of economic ties established between enterprises, sectors, and regions; and shortcomings in the organization of transport operations.

Prices for goods and services increased. Compared with January-September last year, the consumer price index reached 103.7 percent in January-September this year, including 103.8 percent for prices of goods and 103 percent for prices of services.

Furthermore, state prices (sales at state prices account for 95 percent of retail trade turnover) increased by 3.6 percent, gorkooptorg [city cooperative trade network] prices by six percent, and kolkhoz [collective farm] market prices (accounting for 2.6 percent of trade turnover) by 24 percent.

The overall price index for foodstuffs (taking into account sales in the state trade network, gorkooptorg stores, and the kolkhoz market) stood at 102.5 percent.

State retail prices remained unchanged for the majority of basic foodstuffs (bread and bakery products, fats, fish products, dairy products, eggs, sugar, groats, and pasta products), which account for 12.5 percent of the total volume of retail trade turnover. There were significant price increases for the following products, which account for about six percent of trade turnover: potatoes by 16 percent, vegetables by 27 percent, and fruit by 22 percent.

Compared with the corresponding period of last year, the level of prices for nonfood goods rose by five percent, and there was an increase in prices for virtually all categories of goods. There was a five to eight percent increase in prices for clothing, leather footwear, hosiery, synthetic detergents, printed matter, and clocks and watches and a three to four percent increase in prices for textiles, knitwear, perfumery products and cosmetics, notions, metal crockery, furniture, sports and radio goods, carpets and rugs, glassware, and construction materials. There was a centralized increase of jewelry prices by a factor of approximately 1.5.

The average cost of the basket of foodstuffs, nonfood goods, and services purchased by families in 1989 increased by four percent this year (4.4 percent for families with incomes below R75 and 3.8 percent for families with incomes above R200). This increase was somewhat smaller for families living in the countryside, since almost one-half of their needs for foodstuffs are met from personal subsidiary farms.

The cost of the minimum living standard "consumption basket" (the selection of foodstuffs, nonfood goods, and services required to satisfy needs at a minimum level) rose by 5-6 percent.

The growth of unsatisfied demand by the population is estimated at R19 billion, while the scale of inflationary processes in January-September compared with the corresponding period of last year, taking into account price increases and hidden inflation, exceeded nine percent.

In the conditions of persisting tension in the consumer market, there was a major expansion of speculation with consumer goods. Estimates show that excess payments by the population just for nonfood goods purchased at speculative prices will be two to three times greater than in 1989 (they amounted to R1.3 billion in 1989).

The satisfaction of the population's demand for foodstuffs deteriorated. Compared with the corresponding period of last year, the production of **foodstuffs** increased by only 1.4 percent during the past nine months. The annual state plan was 68 percent fulfilled (and should have been 75 percent, based on the annual amount of worktime falling in January-September).

The output of alcoholic beverages (in terms of absolute alcohol) reached 99 million dekaliters, which is seven percent more than in January-September last year; the amount of Russian- and Western-type cigarettes produced was 227 billion cigarettes, or 10 percent less.

At the height of the season, the population in many regions was inadequately supplied with potatoes, fruit, and vegetables, largely because of the decline in purchases of these products. Disruptions were not fully

overcome in the trade with bread and bakery products, and their range was reduced to a minimum.

Difficulties in food supplies were especially acute in Moscow, Leningrad, and the industrial centers; and this was largely due to breaches of economic ties and of contractual and executive discipline. The shortfalls in planned shipments of meat products over the nine months amounted to 105,000 tonnes for Moscow (86 percent plan fulfillment), 62,000 tonnes for Leningrad (73 percent), 16,200 tonnes for Moscow Oblast (62 percent), 24,400 tonnes for the Azerbaijan SSR [Soviet Socialist Republic] (35 percent), 18,300 tonnes for the Georgian SSR (55 percent), and 22,300 tonnes for the Uzbek SSR (64 percent plan fulfillment).

The number of persons temporarily out of work, who could be classed as unemployed according to International Labor Organization criteria, is estimated at approximately 2 million.

Despite the availability of uncommitted labor resources, functioning enterprises have numerous job vacancies. There were about 3 million of them in the basic production sectors at the beginning of the year.

The state of labor discipline is deteriorating in all sectors of the national economy. Compared with the corresponding period of last year, losses of worktime in industry and the construction industry due to absenteeism, stoppages, mass failure to report for work, and absenteeism with the administration's permission increased by a factor of 1.6. The increased loss of worktime is also a result of the effects of strikes and interethnic conflicts. More than 1,700 enterprises and organizations had strikes in January-September this year. Consequently, an average of approximately 50,000 persons were absent from their workplaces every day. Output losses directly attributable to the aforementioned sociopolitical conflicts amounted to about R1 billion (excluding the even greater losses suffered by "partners" as a result of disruptions in raw and other material deliveries caused by this).

The country had about 600,000 refugees (forced migrants). The problem of refugees (including their resettlement) affected eight union republics and more than one-half of the RSFSR [Russian Soviet Federated Socialist Republic] regions.

The ecological situation remains tense in many of the country's cities, industrial centers, and regions. Just as during the corresponding period of last year, organs of the USSR State Committee for Hydrometeorology registered high levels of atmospheric pollution in 73 of the country's cities, and at times they exceeded the sanitary norms for the presence of harmful substances by a factor of 10 and more. These cities include Leninogorsk, Rudnaya Pristan, Sayansk, Novodvinsk, Baykalsk, Arkhangelsk, Bratsk, Severodonetsk, Omsk, Lisichansk, Magnitogorsk, Norilsk, Rustavi, Andizhan, Bezmein, and other industrial centers where this condition is chronic. The high level of beryllium pollution in the atmosphere in Ust-Kamenogorsk caused by the Ulba metallurgical plant was especially dangerous. Cases of very high concentration of harmful substances were also registered in Gubakha (Perm Oblast), Chimkent, Volzhsk, and elsewhere.

There was a reduction of both exports and imports in trade with CEMA countries. Exports of goods to these countries in January-September amounted to R23.1 billion (16.7 percent less than in January-September last year), and imports from them amounted to R29 billion (a decrease of four percent). The proportion of the country's foreign trade turnover represented by CEMA countries fell to 54 percent (57 percent in the first nine months of 1989).

Our country's trade with developed capitalist countries showed an increase in export and import deliveries (1.2 percent and 2.1 percent, respectively). Goods worth R11.9 billion were exported to these countries, and goods worth R14.9 billion were imported from them.

The USSR's trade with developing countries showed a faster growth of imports of goods from these countries against exports to them: Export deliveries fell by 13.6 percent while import deliveries rose by 9.9 percent.

Compared with January-September last year, the export of machines and equipment fell by R1.1 billion, coal by 0.9 million tonnes, crude oil by 6.3 million tonnes, gasoline by 2.1 million tonnes, diesel fuel by 2.2 million tonnes, fuel oil by 2.3 million tonnes, rolled ferrous metals by 1.5 million tonnes, and commercial timber by 3.3 million cubic meters.

As of 1 October there were more than 21,000 registered participants in foreign economic relations, and 2,051 joint enterprises had been founded with participation by firms and organizations from foreign countries.

Further on Economic Performance

PM2110175190 Moscow SELSKAYA ZHIZN in Russian 20 Oct 90 First Edition pp 1, 3

[TASS report: "The Results of the First Nine Months"]

[Text] The results of the country's socioeconomic development testify to the further growth of crisis phenomena in society, an announcement by the USSR State Committee for Statistics on the USSR socioeconomic development in the first nine months of 1990 states. The scale of social production continues to narrow and its efficiency continues to decline. These negative trends are due to the national economy's growing unmanageability, the breaching of economic ties, and the deterioration of labor and contractual discipline. The situation in the investment sphere is worsening. The commissioning of crucial production capacities, housing, and projects for social and cultural purposes has been thwarted. Compared with January-September last year, the volume of output and the purchases of some categories of agricultural produce have declined in the agrarian sector.

The monetary and financial imbalance in the country's economy is deteriorating, the emission of money has increased, and there has been a noticeable rise of prices for consumer goods. The faster growth of the population's money incomes against the manufacture of output is increasingly aggravating the situation in the consumer market. The foreign trade balance remains negative.

Compared with the corresponding period of last year, gross national product declined by 1.5 percent, produced national income by 2.5 percent, and social labor productivity by 1.5 percent.

There was no improvement in the country's financial situation. At the same time, a trend toward reducing the state budget deficit emerged during the first half of the year as a result of the implementation of a package of financial recovery measures, reduction of defense expenditures, and increase of certain categories of incomes. For example, the deficit was reduced to 14.8 billion rubles [R] in January-July against a planned reduction of R24.9 billion for the first half of the year. The union budget deficit actually amounted to R25.9 billion.

State budget revenues in January-July amounted to R262.4 billion against R257.2 during the corresponding period of last year. The budget's revenues section continued to grow in August-September.

State budget expenditures in January-July amounted to R277.2 billion or 106.4 percent of the corresponding period of last year. The budget's expenditures section included R104.1 billion channeled into financing the national economy, R6.4 billion into science, R90.6 billion into social and cultural projects, R41.2 billion into defense, R14.2 billion into foreign economic activity, and R8.3 billion into the maintenance of law enforcement organs and organs of state power and management.

The quantity of money released in circulation during the first nine months of this year was 1.7 times more than during the corresponding period of last year.

The population's money incomes amounted to R461 billion, having increased by 14.4 percent compared with January-September 1989 (against an annual plan estimate of 7.1 percent). The average monthly money wage of workers and employees in the national economy rose from R237 in January-September 1989 to R257, and kolkhoz [state farm] member's labor remuneration rose from R167 to R185 respectively. The population received payments and benefits from social consumption funds to a total of R145.9 billion, which is R11.3 billion more than during the first nine months of last year.

The population's deposits in USSR Savings Bank branches as at 1 October amounted to R358.8 billion, which is R21 billion more than at the start of the year. The population held about R124 billion in cash at the start of October.

The population's expenditure on the acquisition of goods and payments for services (consumer expenditure) increased by 13.7 percent.

Compared with January-September last year, the consumer price index reached 103.7 percent in January-September this year, including 103.8 percent for prices of goods and 103 percent for prices of services. Furthermore, state prices (sales at state prices account for 95 percent of retail trade turnover) increased by 3.6 percent, gorkooptorg [city cooperative trade network] prices by six percent, and kolkhoz market prices (accounting for 2.6 percent of trade turnover) by 24 percent.

The cost of the minimum living standard "consumption basket" (the selection of foodstuffs, nonfood goods, and services required to satisfy needs at a minimum level) rose by 5.6 percent.

The growth of unsatisfied demand by the population is estimated at R19 billion, while the scale of inflationary processes in January-September compared with the corresponding period of last year, taking into account price rises and hidden inflation, exceeded nine percent.

In the conditions of persisting tension in the consumer market, there was a major expansion of speculation with consumer goods.

Consumer goods production in January-September amounted to R336.2 billion (in retail prices), this being R20 billion (or six percent) more than in the corresponding period of last year, but it is substantially below the indicators envisaged in the annual plan (14 percent).

The production of foodstuffs increased by only 1.4 percent. Food industry enterprises fulfilled their contractual commitments 98.9 percent (output delivery shortfall was R1.2 billion). The volume of nonfood goods production (excluding light industry articles) amounted to R115.4 billion which is R13.6 billion more than in January-September 1989. The increased production of consumer goods was mainly due to domestic appliances and other goods for cultural, daily life, and domestic purposes. Output growth for this category of articles amounted to 13 percent. It was largely due to conversion in the defense industry complex. The amount of goods manufactured by light industry was R73.4 billion. The growth was R1.7 billion or two percent.

Current production output channeled into the trade network in January-September amounted to R273.4 billion or R19 billion (7.5 percent) more that in the same period last year. Imports (excluding food raw materials) were R7 billion or 1.3 times higher. At the same time, the pace of goods deliveries, both domestic and imported, have slowed down since the start of the second half of the year.

The total volume of commodity resources channeled into the trade network ensured a growth of retail trade turnover by R43.6 billion or 14.7 percent in real prices. A positive factor in this year's trade turnover is that its

growth has been secured primarily (about 75 percent) through actual commodity deliveries.

The volume of foodstuffs deliveries to the trade network satisfy only three-fourths of the population's demand. There has been a significant increase of disruptions in trade with all categories of foodstuffs, and even goods which were available in quite a large variety in the recent past are now scarce. Difficulties in food supplies were especially acute in Moscow, Leningrad, and the industrial centers, and this was largely due to breaches of economic ties and of contractual and executive discipline.

The growth of retail trade turnover achieved during the period under review was mainly due to nonfood goods, the sales of which increased by 21 percent. But the situation in trade with light industry goods remains unsatisfactory. Conditions of scarcity prevail in the trade with domestic electrical appliances, radio and electronic instruments, furniture, crockery, means of transportation, construction materials, and many of the most ordinary goods.

The country's labor resources comprised approximately 164 million persons. There were 137.5 million persons employed in all spheres of activity. Following staff cutbacks in the economy's state sector by 1.6 percent, the number of persons employed on the production of goods and services in cooperatives (excluding those holding two jobs) increased by a factor of 1.5.

New forms of economic management are developing. The number of joint enterprises is rising. More than 80,000 persons work in them at present. There were 2,100 industrial enterprises (1.5 million persons) operating on leases, as were about 180 construction trusts, more than 23,000 stores and public catering enterprises, more than 200 consumer services enterprises, 1,500 studios and workshops under union republic ministries of consumer services, and about 400 general purpose motor vehicle transport enterprises.

The number of persons temporarily out of work, who could be classed as unemployed according to International Labor Organization criteria, is estimated at approximately 2 million. Despite the availability of uncommitted labor resources, functioning enterprises have numerous job vacancies. There were about 3 million of them in the basic production sectors at the beginning of the year.

The state of labor discipline is deteriorating in all sectors of the national economy. Compared with the corresponding period of last year, losses of worktime in industry and the construction industry due to absenteeism, stoppages, mass failure to report for work, and absenteeism with the administration's permission increased by a factor of 1.6. More than 1,700 enterprises and organizations struck in January-September this year. Output losses directly attributable to strikes and interethnic conflicts amounted to about R1 billion (excluding the even greater losses suffered by "partners" as a result of disruptions in raw and other material deliveries caused by this).

The country had about 600,000 refugees (forced migrants). The problem of refugees (including their resettlement) affected eight union republics and more than one-half of the RSFSR [Russian Soviet Federated Socialist Republic] regions.

In the first half of the year 203,800 people left for permanent residence abroad, which represents a 2.2-fold increase on the same period last year. Almost a third of them are under 18. Workers, employees, kolkhoz members, and students totaled 31, 34, two, and four percent of the total number of emigres respectively, and more than one-fourth were unemployed and pensioners.

Natural population growth dropped from 1.5 million to 1.3 million compared with the same period last year.

During the first nine months less than half of the envisaged annual volume of housing and secondary schools was commissioned, less than one-fourth of vocational and technical educational establishments, preschool establishments, clubs, and houses of culture, 25 percent of hospitals, and 35 percent of polyclinics. One million apartments with a total area of 67.6 million square meters have been constructed from all sources of funding.

The ecological situation remains tense in many of the country's cities, industrial centers, and regions. This year the state order envisages the commissioning of 319 major nature conservation facilities; only 21 facilities were effectively commissioned in January-September.

Roughly 2 million crimes have been recorded in the first nine months, an increase of 12.3 percent over the corresponding period last year. The Armenian SSR, the Baltic republics, and the Kirghiz, Ukrainian, and Belorussian SSR's have the fastest rates of crime growth.

The total volume of industrial output for the first nine months dropped by 0.9 percent compared with the corresponding period last year. Production of Group "A" output dropped by 2.9 percent while production of Group "B" output rose by 4.5 percent. Contractual commitments for output deliveries in January-September were 98.1 percent fulfilled, with 25 percent of enterprises failing to ensure their fulfillment (the figures were 98.7 percent and 21 percent respectively in January-September 1989). Consumers failed to receive output worth R11.1 billion, which represents an increase of R3.9 billion over the corresponding period last year. Output per worker in industry rose by 1.3 percent in January-September 1990 compared with the corresponding period last year.

Agricultural enterprises are completing the fall field work. However, 399,000 hectares, 555,000 hectares, and 1,653,000 hectares respectively of vegetable crops, potatoes, and sugar beets had not been harvested as of 8

October. The harvesting of grain crops has not been completed in a number of regions. By and large as of 8 October 98.4 million hectares of grain and pulse crops (excluding corn) (95 percent of the sown area) had been cut.

This year the average grain threshed per hectare exceeds last year's yield by almost four quintals. However, the state order and grain procurement contracts are not being fulfilled in many union republics. As of 8 October 61.8 million tonnes of grain, or 72 percent of the state order, had been purchased.

Procurements of livestock products in January-September totaled: livestock and poultry (live weight)—15.7 million tonnes; milk—63.8 million tonnes; eggs—39.6 billion.

Contractual commitments for deliveries of tractors, silos, and many types of agricultural machinery to the agro-industrial complex have not been fulfilled, and mineral fertilizer deliveries dropped.

The commissioning of fixed assets funded by state capital investment amounted to R78.7 billion, which is six percent less than during the corresponding period of last year, against an eight-percent growth envisaged by the annual plan. The program for the commissioning of state order projects during the first nine months was frustrated. The volume of unfinished construction increased by 10 percent compared with the corresponding period last year.

The shipment of freight on general-purpose transport during the first nine months fell by 4.7 percent compared with the corresponding period of last year and amounted to 9.4 billion tonnes. General-purpose passenger transport conveyed 41.5 billion people, which represents an increase of 0.4 percent on the same period last year. Passenger turnover increased by 2.1 percent and totaled 883.4 billion passenger-kilometers.

The volume of export-import operations in January-September is characterized by the following figures (at current prices): exports, imports, and foreign trade turnover totaled 43.5 billion, 52.5 billion, and 96 billion foreign currency rubles respectively.

The proportion of consumer goods in USSR imports reached 36 percent of the total volume. There was an increase in deliveries of output via commodity exchange (barter) operations implemented by enterprises and state and cooperative organizations with foreign enterprises, organizations, and firms in cashless transactions.

As of 1 October there were more than 21,000 registered participants in foreign economic ties, and 2,051 joint enterprises had been founded with the participation of foreign firms and organizations.

Heating Coal Shortage in Novokuznetsk

914D0010A Moscow TRUD in Russian 11 Oct 90 p 1

[Article by TRUD staff correspondent Yu. Kotlyarov, Kemerovo: "On a Coalfield... Without Coal"]

[Text] So difficult a situation regarding preparations for the winter season has emerged in Novokuznetsk for the first time in many years. Almost all enterprises and city services failed to complete the necessary prewinter work by the beginning of September. By the end of September, heat was not being supplied to 240 houses, 40 day-care centers, and 16 schools... In the mining Kuybyshevskiy Rayon, it turned out that central boiler plants should have a permanent reserve of fuel amounting to 760 tons, whereas only 150 tons were available, and its quality was as poor as could be.

All of this is a result of irresponsibility by the leadership of Kuznetskugol Concern. What kind of control on the part of the administration of the Kuzbassenergo heating grid is it when the heat mains of the city remain unprepared for the onset of the cold weather?

[signed] Yu. Dudkov, TRUD volunteer correspondent, Novokuznetsk

I showed this alarming message from Novokuznetsk to G. Nikolayzen, chairman of the Kemerovo Oblast Executive Committee:

"Lately, we have been talking frequently and at length about the poor supply of materials; supposedly, it is the cause of all woes. Indeed, nobody is going to deny this. However, the problem is that Her Majesty Production is still the foremost concern of many economic administrators rather than the people with their troubles and needs. The residual principle that has brought housing and municipal management to its knees has been preserved. The main concern continues to be for the tons of coal, metal, and mineral fertilizer, rather than heating in apartments, schools, and hospitals.

"Recently, we spoke sharply to the management of Kiselevskugol Association. We asked them: 'Why are you not prepared for the cold season?' The answer given was: 'They did not allocate corrugated asbestos board, pipes, this and that to us...' We checked the documentation, and it turned out that the material funds allocated are abundant enough to prepare adequately a housing stock even several times greater than that of the association.

"I have on my desk a daily summary report about winter preparations in the cities of our oblast. In one-half of these cities, heating in many houses, schools, and hospitals was not started up by 1 October. The coal industry, railways, and construction do the worst job of this: In some places, heat mains are not ready, and in some, piping layouts reaching houses are not. As a result, 37 day-care centers, 12 schools, and 10 hospitals failed to receive heat as of 1 October.

"As far as the supply of fuel coal is concerned, up to 90 percent of the population's needs have been met, as well as 80 percent of the needs of the boiler plants. In instances where there is no coal for the boiler plants this is, once again, primarily the fault of economic administrators from, for example, the already mentioned Kuznetskugol Concern. It is by their 'grace' that the miners of Novokuznetsk and Osinniki who mine coal themselves are left without it.

"However, I believe that there will be little progress, regardless of how much we criticize such negligent managers, if the councils of labor collectives and trade union committees are going to remain on the sidelines, especially in the course of signing collective contracts and controlling their implementation."

When this issue was being typeset, the following message came from Mezhdurechensk: The employees of 16 single-block boiler plants are calling a strike today, on 11 October. This means that about 200 high-rise buildings, day-care centers, and shops may be left without heating and hot water... The demands of the stokers are: to provide an abundant supply of good coal, to furnish tobacco products for them, and to increase their salaries, as was promised. The question is who is going to meet these elementary requests because the recently elected city executive committee has already resigned...

Train Accident, Explosion Reported

914H0024A Moscow GUDOK in Russian 17 Oct 90 p 1

[Article by V. Kurkov, GUDOK correspondent: "Sabotage"]

[Text] **About midnight, from 15 to 16 October, Simferopol-Baku passenger train No 188 had a wreck.**

This happened on the single-track section between Krasnodar and the Caucasus, when the train was going toward Baku. At the entry warning signal of the Redut passing point, an explosion thundered under the second baggage car. Even though the car managed to slip across the crater that had formed, two meters in diameter and a meter deep, its floor was burst by the shock wave, the walls opened wide, and the parcels and baggage were thrown out. The six passenger cars following were derailed. Moreover, two of them overturned, and one was across the tracks. The speed at the time of explosion was about 50 kilometers an hour.

According to preliminary data, six persons suffered and two are in serious condition, and also according to preliminary reports, the explosion cannot be called an accident. Electric wires stretched from the crater to a forest planting. The fact that the explosion did not occur immediately under the first wheel of the electric locomotive, but only under the second car, also indicates that it was controlled.

Restoration work and investigation began immediately that night. The victims were given medical assistance. At Krasnodar, the train was supplemented by four new cars and sent to its destination. Investigation will show the criminal on whose behalf the act of sabotage was committed. It remains only to wait and be vigilant—extremism and active insolence have stretched their tentacles from the Transcaucasus region to the Northern Caucasus.

Trains Collide, Dispatcher Blamed

914H0024B Moscow GUDOK in Russian 17 Oct 90 p 2

[Article by V. Grechanin, GUDOK correspondent: "Criminal Absent-Mindedness"]

[Text] On 18 October, at 12:50, on the Zuyanovo-Tyulma line of the Bashkir Division of the Kuybyshev Road, two freight trains collided head-on. The cause of the accident was the negligence of the dispatcher. There were no victims, and restoration work is in progress.

The Dema-Veloretsy section is not located on the main line, but traffic here is quite intensive. Not long ago, three trains were dispatched to the line from Tyulma to a collision. Two went on safely to the next station, but the dispatcher display board at Ufa, naturally, continued to burn a red light. The third train, number 2008, driven by engineer Ovchinnikov, was still proceeding along the track.

Dispatcher Fattykov, for some unknown reason, forgot about this train, and "took offense" at the automatic system: a malfunction, he says. Instead of making sure that this was true, he ordered a freight consist to be dispatched from the Zuyakovo station. Engineer Khunin was driving his consist, weighing over 4,000 tons, head-on toward the oncoming train, and had managed to pick up to a speed of just a little over 25 kilometers an hour. The combined speed at the collision, however, exceeded 70 kilometers an hour.

The locomotive brigades of both trains put on their emergency brakes, but, seeing that an accident was inevitable, managed to go to the engine section and were unharmed.

As a result of the collision, four cars of the down train were derailed, and of them, two were empty and two loaded with gravel, and from the up train—nine cars with equipment and salt. Both electric locomotives were put out of action.

Two emergency trains immediately arrived at the scene. The work is going slowly, however. Mountains come right down to the roadbed on one side of this site, and there is a river flowing on the other side. The equipment has no place to turn around. Therefore, days later, traffic has still not been restored at the site.

* Vehicles Used as Procurement Stimulus

914B0011A Moscow SELSKAYA ZHIZN in Russian 16 Oct 90 First Edition p 2

[Article by S. Kirilov, chief of the Administration for Production and Seed Growing of Oil-Producing Plants of the RSFSR Ministry of Agriculture and Food: "Oil Seeds for the State: Stimulating Their Sale in State Resources"]

[Text] The efforts of the farmers produced a good crop of oil seeds this year. High grain yields of mustard were obtained in Volgograd Oblast, of sunflowers—in Krasnodar and Stavropol krays and Rostov Oblast, and of soy—in Amur Oblast. Bad weather made the harvesting of oil-producing plants extremely difficult on the farms of Central-Chernozem Rayon, the Volga area, the Urals and Siberia. The areas are taking all measures not only to harvest, but also to sell the maximum amount of oil seeds to the State. One of the most efficient measures to stimulate kolkhozes, sovkhozes and other agricultural enterprises to draw oil seeds into the State resources is a counter supply of scarce equipment.

The RSFSR Ministry of Agriculture and Food sought additional reserves of wheeled tractors, passenger vehicles and trucks for counter sale for oil seeds, supplied above the State order, and approved norms which differentiated them by three groups.

The first group includes Krasnodar and Stavropol krays, Rostov, Belgorod, Voronezh, Tambov, Volgograd, Kuybyshev and Saratov oblasts and the Kabardino-Balkar ASSR.

The second group includes the autonomous republics, krays and oblasts not included in the first group (with the exception of the Far East, Siberia, the Urals and the Nonchernozem zone of the RSFSR).

The third group includes the Nonchernozem zone of the RSFSR, the Urals, Siberia and the Far East.

The norms for selling material resources for above-plan sale of oil plant seeds to the State in 1990 (amount of above-plan sale, and for farms that do not have a plan for sale, the level, exceeding the preceding year, of oil seed sale in tons per unit of material resources) are given in the following table:

	1st Group	2d Group	3d Group
Tractors type MTZ-80, MTZ-82	150	100	50
Passenger vehicles:			
GAZ Volga	400	300	150
UAZ, Moskvich, VAZ	200	150	75
Trucks:			
MMZ-554, GAZ-5812, SAZ-3507	150	100	50
UAZ-3303	100	75	50
KamAZ type	200	150	75

Note: In above-plan sale of castor plants, the compensation is made by calculating four coefficients.

The Russian Agricultural Supply Complex is commissioned to carry out the issuing of above-plan procurement of oil seeds in the 4th quarter of 1990 and the 1st quarter of 1991 in accordance with the published norms and groups of their use.

Agricultural

Farms Keep Grain for Own Use Despite Incentives

PM1910131590 Moscow SELSKAYA ZHIZN in Russian 19 Oct 90 First Edition p 1

[Article by L. Trachuk, specialist in the USSR Council of Ministers State Commission for Food and Purchases State Food Resources Main Administration: "Grain Problem. What Impact Are Economic Incentives Having on Its Solution on the Eve of the Transition to the Market?"]

[Excerpts] At the USSR and RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet sessions people's deputies are currently arguing about the program for the country's transition to the market, but the question perturbing the people is: Will there be bread, vegetables, and livestock products in the stores tomorrow? After all, a system operates in the country whereby the population is supplied with grain products in a centralized fashion—from state resources. The government recently adopted a decision on measures to provide incentives for purchases of 1990 harvest grain. How are these economic incentives operating in practice? [passage omitted]

Though by 1 October fulfillment of the state order for grain stood at only 69 percent in the country as a whole, 16 oblasts, krays, and republics had nevertheless sold the state 2 million tonnes of grain over and above the state order. They include: Rostov Oblast—826,000 tonnes; Stavropol Kray—383,000 tonnes; the Kalmyk ASSR [Autonomous Soviet Socialist Republic]—247,000 tonnes; Uralsk Oblast—221,000 tonnes; Orel Oblast—111,000 tonnes; and the Kabardino-Balkar ASSR—14,000 tonnes.

However, there are also farms and regions where parochial interests are prevailing: Though grain crop yields are high, deliveries of them to the state are being held back. The grain is being left for internal farm needs. On many farms in the RSFSR, Ukrainian SSR [Soviet Socialist Republic], and Kazakhstan at the beginning of

October the amounts left for farms' own needs were bigger than the plans for sale to the state. Thus the farms of Nizhegorod Oblast have an order of 320,000 tonnes, have sold only 255,000 tonnes, and have retained for themselves 1,611,000 tonnes; farms in Penza Oblast have an order of 900,000 tonnes, have sold 404,000, and have retained 1,424,000 for themselves; farms in Krasnodar Kray have an order of 4 million tonnes, have sold 3,484,000, and have retained 5,953,000 for themselves; farms in the Bashkir ASSR have an order of 2.35 million tonnes, have sold 1,382,000, and have retained 3,421,000 for themselves; and farms in Chernigov Oblast have an order of 405,000 tonnes, have sold 350,000 tonnes, and have retained 1,358,000 tonnes for themselves.

Farms in Gorkiy, Ulyanovsk, Ternopol, and Chernigov Oblasts and the Mordvinian, Tatar, and Udmurt ASSR's, though orders for grain sales to the state have not been fulfilled, are retaining quantities several times greater than not only the actual purchases but the planned purchases.

Though they do not have grain storage facilities, certain farms are not fulfilling contractual commitments to dispatch grain to the elevators and are storing grain in the open, which is leading to spoilage. And this is at a time when the state has been forced to ship imported grain purchased for hard currency into Uzbekistan, certain oblasts in the RSFSR, and other republics! [passage omitted]

As of 1 September experienced farmers had sold the state 8.3 million tonnes of grain in exchange for mixed feed—that is 1.5 million tonnes more than last year—and over half of the 8.3 million tonnes was wheat, one-fourth was rye, and 18 percent was barley and oats. Overall this year we can expect grain sales in exchange for mixed feed to amount to 13-14 million tonnes.

Grain Sales to the State for Convertible Currency

The improvement of this proecedure and the streamlining of payments have provided incentives for grain sales. As of 20 September 752,400 tonnes of such grain had been sold to the state, including 72,200 tonnes of strong varieties of wheat. For a total sum of 35.5 million foreign currency rubles, which is almost 2.5 times more than last year. By this date 455,000 tonnes of grain had been sold in the RSFSR for a total of 22.8 million foreign currency rubles. In Krasnodar Kray 228,000 tonnes of grain had been sold for hard currency, in Rostov Oblast 157,000 tonnes, and in Stavropol Kray 59,000 tonnes.

The Ukraine's farms had sold 276,000 tonnes of grain for a total of 11.7 million hard currency rubles, including 104,000 tonnes in Dnepropetrovsk Oblast, 80,000 tonnes in Donetsk Oblast, and 77,000 tonnes in Zaporozhskaya Oblast.

In Kazakhstan as yet only 21,000 tonnes of grain have been sold for a total of 0.9 million foreign currency rubles; 19,000 tonnes of this amount being in Taldy-Kurgan Oblast. It is mostly valuable strains of wheat that are being sold.

I would very much like to conclude this report on an optimistic note, but despite the measures taken by the government, according to experts' assessments, state resources will not receive the planned volumes of grain this year. Economic levers and incentives work to the full extent only when there is strengthened delivery discipline, the efforts of republics and central departments are consolidated, and the soviets of people's deputies take an active part. As yet this is lacking.

Agricultural Developments for 14-20 Oct Reported

LD2110004790

[Editorial Report] The following is a compilation of reports on agricultural developments in the USSR carried by Moscow Domestic Service in Russian from 14-20 October, unless indicated otherwise. Times of broadcast, given in GMT, are in parentheses at the end of each item.

14 October

Six thousand tonnes of choice potatoes, in excess of contractual obligations, have been supplied to Moscow by Orel cooperative workers. In all, the capital has received 26,000 tonnes of what is often called the second bread from the Orel potato growers. So far, Orel is the only oblast of the country's central region that has precisely fulfilled its contractural obligations to the capital. (0700)

The harvesting of cereals is on the whole over in this country. A statistical service report says the yield, corn excluded, has totalled over 214 million tonnes, which is more than in the previous year but less than expected. Specialists are concerned over the slow pace of grain sales to the State, despite its increased prices. One of the reasons for this is the growing inflation, which eats up the farms' extra profits. (Moscow World Service in English) (0800)

15 October

Refineries in Vinnitsa Oblast, one of the country's biggest growers of sugar beets, are producing almost 50 percent more sugar than at the same time last year. About 250,000 tonnes of sugar have already been received since the beginning of the season. Sugar beet growers are responsible for most of the increase. The quality of roots is much higher than last year. The roots reaching many refineries have a sugar content reaching as high as 18.5 percent. (0800)

The potato harvest has reached its peak in Bryansk Oblast, where the sown area is the largest in Russia. Potatoes occupy almost 100,000 hectares there. The extraordinary nature of the situation is being experienced not just in the countryside, but also in towns and workers' settlements. Budgetary organizations and

offices are closed. In spite of this, a quarter of the harvest still has to be brought in. Only a third of the state order for the dispatch of potatoes has been fulfilled. (0800)

16 October

No significant developments reported.

17 October

Kirghiz Soviet Socialist Republic: The grain harvest has been completed; about 1.5 million tonnes of barley and wheat have been brought in. However, to date only just over half of the 248,000 tonnes provided for in the plan has been sold to the state. (0500)

18-20 October

No significant developments reported.

Domestic Vegetable Oil Shortage Leads to Imports

PM1910154490 Moscow PRAVDA in Russian 18 Oct 90 First Edition p 1

[Interview with A.M. Belichenko, deputy chairman of the USSR Council of Ministers State Commission for Food and Purchases, by I. Totskiy under the rubric "What To Buy Abroad?": "'Chanel' or Oil"—place and date not given; first four paragraphs are Totskiy introduction]

[Text] The sunshine flower, as sunflowers are known, produces an excellent vegetable oil. Oil is also obtained from soybean, flax, and cotton seeds. But their share as a raw material is not so great. So oil manufacturers are looking in the direction of fields sown to sunflowers. A difficult harvest is under way there. By the middle of October oilseeds had been harvested on 2,587,000 hectares, or 57 percent of the crop area.

I heard a strange conversation in a foodstore:

"French oil? But where is ours?"

"Take the French oil, and do not be difficult," the salesgirl retorted abruptly. "There is not enough of our own...."

"There really is not enough," A.M. Belichenko, deputy chairman of the USSR Council of Ministers State Commission for Food and Purchases, explained to me. "We have to purchase it. The national economy's needs for vegetable oil are now being met by 70-75 percent. We cover the rest by means of imports."

[Totskiy] Was there enough of our own before?

[Belichenko] Five years ago there was no question of a shortage of vegetable oil. It always stood on the counters. Some 2.5 million tonnes was produced then, you know. And there was 9.2 kg of oil per capita, although the level of consumption was 500 grammes higher.

[Totskiy] What has changed since then?

[Belichenko] Last year, for example, oil production exceeded 3 million tonnes. There was 11 kg per capita, and approximately 10 kg went into food. This is the same as in Czechoslovakia. Slightly more oil is consumed in Japan and the FRG. Still more in the United States, Italy, the Netherlands....

[Totskiy] But production is higher there too?

[Belichenko] Yes. In the Netherlands there is 54 kg per head, and in Belgium 56 kg. The situation is changing in our country too. Intensive technology came to the sunflower plantations in the 12th Five-Year Plan. That helped to boost harvests. The average annual gross yield of oilseeds was increased to 7.5 million tonnes, and state purchases went up to 5.7 million tonnes. Oil production also increased. This year it is planned to manufacture more than 3 million tonnes.

[Totskiy] Oil-bearing crops are now being harvested. Are the oil-extracting plants coping with their processing?

[Belichenko] They could cope. They have a capacity of 13 million tonnes of oilseeds a year. But they process 10.5 million tonnes. The production-technical base of the oil and fat industry is extremely neglected. Four-fifths of the equipment has been in use more than 20 years. It is badly worn out and needs replacing. But it is impossible to halt it even for repairs, as the enterprises work three shifts.

[Totskiy] What is the result of delays over modernizing enterprises and replacing equipment?

[Belichenko] Big losses, losses of output, as in any other sector. Add to this deliveries of substandard raw materials. Is it possible to manufacture good vegetable oil if Russian Federation farms, for example, annually dispatch 30-90 percent of oilseeds of low quality for state purchases and for processing?

The increase in losses of oil during processing is extremely distressing. During the past two years alone 16,500 tonnes of vegetable oil failed to reach the store counters because of this. We need highly productive modern equipment. Defense industry enterprises, primarily those of the USSR Ministry of General Machine Building, have been entrusted with manufacturing it. However, they promise to supply experimental models of complete equipment no sooner than 1992-1993.

[Totskiy] Where is the way out? Once again with outstretched hands abroad?

[Belichenko] We will not abandon purchases of oil. But they should be reduced. Only for this it is necessary to gather and safeguard the harvest of seeds of sunflowers and other oil-bearing crops, process it in full, and get it to the consumer. I can see no other way.

Scientific

39 Reactor Stoppages at Nuclear Plants Reported

LD2010203290 Moscow World Service in English 1600 GMT 20 Oct 90

[Text] Thirty-nine stoppages of reactors at Soviet nuclear power plants took place in July through September this year, said the daily IZVESTIYA. Five of them occurred because of errors committed by the personnel and the rest because of mishaps in the systems of equipment and monitoring. July's stoppage of a reactor at the Smolensk nuclear power plant as a result of a fire in the high voltage cable was assessed in accordance with international classification as a minor incident. The remaining stoppages of nuclear reactors were described as having no importance in terms of safety.

TASS Reports Mir Cosmonauts' Activities

LD1910123990 Moscow TASS in English 1203 GMT 19 Oct 90

[Text] Moscow October 19 TASS—Soviet cosmonauts Gennadiy Manakov and Gennadiy Strekalov have been conducting material studies and geophysical research during the past two days.

They have completed a long-term technological process on the Krater-8 installation to grow a monocrystal of gallium arsenide. The experiment was started on October 8.

With the help of videospectral instruments, installed in the stabilised platform of the Kvant-2 module, and the photographic Priroda-5 complex, the cosmonauts photographed central and southern parts of the Soviet Union.

A series of experiments with the use of the Ferrit and Danko apparatus helped assess physical and mechanical characteristics of structural materials under the influence of open space.

On Friday, the crew are expected to study the ecological situation in the regions near Chernobyl, the Volga, the Aral and Black Seas. Cosmonauts will replace a block of hydraulic [word indistinct] in the thermal regulation system.

Austrian Pilots Train for 1991 Mir Mission

LD1910215890 Moscow TASS in English 1950 GMT 19 Oct 90

[By TASS correspondent Rena Kuznetsova]

[Text] Moscow October 19 TASS—Two Austrian pilots—Clemens Lothaller and Franz Viehboech—are now in training for a place on board a mission to the Soviet orbital station Mir.

One of the two men will go to the orbital station with his Soviet colleagues in 1991.

The two Austrian candidates for the flight are also taking a crash course in Russian, the language they will speak with other crew members on Earth and in space. Physical training and sports are on the training programme as well.

A Glavkosmos spokesman told TASS that the international crew is expected to fulfil an extensive research and experiment plan in the interests of the two participating countries' economies.

The plan centres around medico-biological research and the remote survey of Austrian territory. An extensive exposition, devoted to the forthcoming space trip, research and experimentation work the crew will perform in space, is expected to go on view this month in Austrian cities Graz and Innsbruck.

Gamma Satellite Continues Pulsar Observations

LD1910222290 Moscow TASS in English 1929 GMT 19 Oct 90

[Text] Mission Control Centre October 19 TASS—The Soviet space observatory Gamma, launched on July 11, 1990, continues on its mission. During its 100 days of orbital work, all on-board systems have been thoroughly checked and tested. The search has begun for astrophysical objects which emit bursts of gamma-rays.

Since the end of August, the observatory has been watching the gamma-pulsar in the Sail constellation. High energy radiation has been registered, permitting conclusions to be drawn about the source. The centre of our galaxy has been regularly under observation.

The results of tests and checks required certain changes in the research plans. An electric current failure in a Gamma-1 telescope detector network called for reorientating the plan, with most of the work now devoted to gamma-pulsars.

Other work performed by the unmanned observatory is the observation and study of the earth's radiation belts at low altitudes, including in the Brazilian anomaly, and the electron component of space rays. Peak solar activity will be followed as well.

Data from the space observatory is being processed and analysed by scientists in the Soviet Union, France and Poland.

Monitoring of Agriculture From Space Examined

PM2210080990 Moscow SOVETSKAYA ROSSIYA in Russian 17 Oct 90 First Edition p 2

[TASS report: "'Priroda' Operating on 'Mir'"]

[Text] Barnaul, 16 Oct—An All-Union Conference on Remote Surveying of Soil and Water Resources has opened here. It has been organized by the USSR Academy of Sciences Siberian Branch Institute of Water

and Environmental Problems, Altay State University, and the Siberian subsidiary of the Agroresursy All-Union Research Center.

"The studies and project-exploration work on the problem of aerospace monitoring of natural resources, in particular the agricultural resources of Altay Kray, began in the kray three years ago," V. Mironov, rector of Altay State University, said. "Computer processing of data received with the aid of space-based apparatus, airborne laboratories, and ground-based instrument complexes is making it possible to identify supplies of moisture in the soil, its temperature, and the times of agricultural crops' phenological phases..."

The conference participants will discuss their contribution to the fulfillment of the Intercosmos international comprehensive targeted program for aerospace research aboard the Priroda [Nature] module, which will be docked to the Mir orbital station.

Hydrodynamics Discovery Noted in Aircraft Industry

LD1810203690 Moscow TASS in English 1459 GMT 18 Oct 90

[By TASS correspondent Veronika Romanenkova]

[Text] Moscow October 18 TASS—The fuselages of the Soviet MiG fighter planes, which caused a sensation at the air shows at La Bouget and Farnborough, are made of the world's lightest alloy. It was produced on the basis of a discovery by scientists working at the All-Union Aviation Materials Institute and registered here today by the USSR State Committee for Inventions and Discoveries.

Until recently, the aircraft-building industry used aluminium alloys containing copper and magnum or zinc and magnum. However, all these alloys were heavier than aluminium and have the same degree of elasticity.

"We proposed using lithium and magnum in aluminium alloys," said academician Iosif Fridlander, who headed the team of scientists working on the problem. "The elasticity and durability of the new material increased and the density lowered".

This effect, named after its discoverer, permitted the production of the world's lightest metal alloy.

The state register of discoveries registered one more invention in the field of hydrodynamics today. Its practical application creates a reliable basis for working out new methods to calculate and design parts of jet-propulsion and rocket engines and apparatus for purifying liquids from admixtures.

New Association To Develop Cellular Radio System

PM1910090590 Moscow IZVESTIYA in Russian 16 Oct 90 Morning Edition p 2

[N. Kiy report: "'Radiotelefon' on the Airwaves"]

[Text] Yakutiya is to be the first business partner of the "Radiotelefon" all-Union science and production entrepreneurial association. The recently created association has pledged to equip population centers, industrial enterprises, and services of the republic's Ministry of Internal Affairs with a whole range of radio communications facilities: radiotelephones, alarm systems, and radio stations.

"Radiotelefon's" task is to install an "air cable" in places where there is no possibility of laying an ordinary telephone wire, to provide telephone links for small villages in inaccessible regions, and to establish radio communications with remote nomad camps and mines.

The new association has brought together Soviet enterprises, organizations, and banks, and foreign firms involved in the production and utilization of mobile radio communications facilities.

It is not just the inhabitants of Yakutiya who will receive the opportunity to communicate over the air, said I. Glebov, the association's vice president and deputy chief of the USSR Ministry of Communications Main Administration for Scientific and Technical Development. We intend to supply free economic zones, where entrepreneurial activity will develop especially intensively, with mobile radio communications: Kaliningrad, Nakhodka, Sakhalin, Maritime Kray, and also Moscow and Leningrad. At the same time the concentration of radio communications in business zones will be three to four times higher than the countrywide average. Together with the USSR Ministry of Communications, the association has announced an international competition to create the most modern cellular system of radiotelephone communications. The results will be summed up 20 November 1990. We will choose the most economically advantageous proposals from foreign firms, international consortiums, and Soviet designers. And then we will begin to implement the projects in various regions.

Next year 20,000 people will become the owners of radiotelephones in this country. The figure will increase to 3 million in a few years through the efforts of the association alone; in other words there will be one radiotelephone per 100 inhabitants. This is quite a lot if you consider that today only one person in 1,500 can become a radio communications subscriber.

Initially the users of the airwaves will be enterprises, cooperatives, and rural soviets. The price of a radiotelephone is 2,000 rubles [R]. If the apparatus is rented, conversation by radio is cheaper—R500 a year.

The radiotelephone in a businessman's car is only the "facade" of radio communications. Apparatus installed alongside a railway track or oil and gas pipeline will enable technical and medical aid to be summoned via radio. Drivers of heavy trucks fitted with radio transceivers will receive information about the situation on the road in good time. Portable radio transceivers for personal use, production of which has been set up this year, will benefit rescue workers, geologists, and tourists.

Personal beepers, which receive coded commands from ordinary telephones, are essential at dangerous chemical plants, and "moving targets," for example, taiga hunters, are equipped with them.

Experts estimate the Soviet market in radio communications at 3-5 million subscribers.

Partnership Formed To Eliminate Vitamin Shortage

PM1910141990 Moscow Television Service in Russian 1530 GMT 16 Oct 90

[From the "Vremya" newscast: Report by L. Kushnarenko and Yu. Korovkin]

[Excerpt] [Reporter] This report, to be blunt, is on a painful topic—medicines, a commodity in extremely short supply in our country. For several years the Ministry of the Medical Industry tried to master the production of Benfotiamine—the basis for many medicines. But the contractual links between suppliers who had no mutual interest often proved to be an impediment. The medics were offered partnership by the Soyuz Interprom All-Union Production Association, which bought the Dolgoprudninskiy chemical plant from the state. The association obviously has more money than an individual plant. At the beginning of this year money was invested in strengthening ties with suppliers, a new installation was commissioned, and literally within three months the vitamin shortfall was eliminated.

[P.N. Semenov, the association's chief chemical synthesis technologist] The installation has a design capacity of 36 tonnes per year which will completely cover the Union's requirement for this product. We are beginning to dispatch Benfotiamine to enterprises of the Ministry of the Medical Industry, from where it will go directly to pharmacies and the people. [passage omitted]

Researcher Sentenced for Producing Isotopes

PM1910145190 Moscow MOSKOVSKIYE NOVOSTI in Russian No 41 14 Oct 90 p 2

[Unattributed report from "Moscow Diary" column]

[Text] A secret storehouse containing cesium-137 isotope sources with a capacity of 1,500 roentgens per hour was set up in a wood not far from Mytischi, in the Moscow region, by former industrial research worker Anatoliy Obruchnikov. An investigation has failed to answer the question: What was his aim in doing this, and why did he manufacture radioactive aqueous solutions? People's Judge Rafael Shakirdzhanov told a MOSKOVSKIYE NOVOSTI correspondent that Obruchnikov himself pleaded not guilty and has blamed the evidence that was found attesting to his guilt on intrigues by Western special services. Nevertheless, the accused's guilt was proven, and he was sentenced to four years' imprisonment. In addition, it was decided to fine Obruchnikov 252,000 rubles. This was the sum spent by Mytishchi Executive Committee on decontaminating a polluted pond and part of the forest.

Leaders Sign Obituary of Rocket Specialist

PM1810153190 Moscow PRAVDA in Russian 16 Oct 90 Second Edition p 6

[Obituary of A.A. Maksimov]

[Excerpts] Aleksandr Aleksandrovich Maksimov, participant in the Great Patriotic War, Hero of Socialist Labor, winner of the Lenin Prize and USSR State Prize, candidate of technical sciences, and retired colonel-general, has died suddenly aged 67. [passage omitted]

In the postwar period A.A. Maksimov graduated from the F.E. Dzerzhinskiy Military Academy and all his subsequent official activity was devoted to developing, organizing the production of, assimilating, and operating space rocket technology. For many years he headed the USSR Defense Ministry's state units. He took an active part in preparing and implementing the flights of the first artificial Earth satellite, the first cosmonaut, the Energiya-Buran general-purpose space rocket transport system, and many other manned spacecraft, satellites, and interplanetary craft. [passage omitted]

[Signed] M.S. Gorbachev, A.I. Lukyanov, N.I. Ryzhkov, Yu.D. Maslyukov, D.T. Yazov, O.D. Baklanov, L.N. Zaykov, I.S. Belousov, M.A. Moiseyev, P.G. Lushev, K.A. Kochetov, N.I. Shlyaga, Yu.P. Maksimov, V.I. Varennikov, I.M. Tretyak, V.I. Shaposhnikov, V.N. Chernavin, V.M. Shuralev, V.M. Arkhipov, V.M. Shabanov, N.V. Chekov, V.L. Govorov, V.F. Yermakov, Yu.A. Yashin, O.N. Shishkin, A.N. Soshnikov, V.L. Ivanov, I.I. Kurinnyy, G.S. Titov, S.N. Yermak, V.M. Ryumkin, G.F. Lysenkov, D.D. Maslyukov

Military

Naval Squadron Passes Through Indian Ocean

LD1910133790 Moscow TASS in English 1307 GMT 19 Oct 90

[Text] Moscow October 19 TASS—The following report was circulated here today by the Soviet Defence Ministry's press centre:

As was already reported earlier, a Soviet Naval squadron, consisting of the guided missile cruiser Chervona Ukraina and the destroyer Bystriy, is on its way to join the Pacific Fleet.

The ships sailed across the Indian Ocean without entering the Gulf and are expected to pass through Malacca Strait and enter South China Sea on October 19-20.

The squadron is expected to arrive in Vladivostok at the beginning of November.

Military, Civilian Officials Discuss Coup Rumors

LD2010190490 Moscow Television Service in Russian 1915 GMT 19 Oct 90

[From the "Vzglyad (View)" feature of the "VID (View and Others)" program]

[Text] [Announcer] Military coup. "Vzglyad" was late getting involved in the arguments over the mysterious movements of troops around Moscow. We were prompted by the parliamentary hearings of the ministers of defense and security [as heard] and a certain dissatisfaction with what was said by those senior officials. I think that it was exactly this surprise that motivated Major Pustobayev, who in the last "Vzglyad" program told you what had happened to him and what he thought on this score. You will recall the item. The major had many interesting things to say about how their regiment was being moved toward Moscow. This week the Pustobayev case continued to develop, and we now present an item filmed by Aleksandr Politkovskiy:

[Politkovskiy] We are at the headquarters of the Air Force. An instant reaction to the latest "Vzglyad" reports on troops near Moscow.

[Pustobayev, speaking to military and civilian officials] My analysis was that Gorbachev was away when all this was taking place. Yeltsin was in hospital after his accident just then. And then the exercises themselves were proceeding in a fairly odd way for routine exercises: they were following some sort of new pattern. That is one point. Then in answer to a question from Belozertsev, I could see the way Gorbachev was surprised when he found out about the exercises. I realized that in fact he did not know what had been happening in reality. Then I saw the reply that Kryuchkov gave. He said that the Army had not informed him that troops had been on the move. I once again, generally speaking, saw all this in one and the same context.

[Politkovskiy] Taking part in the investigation of the flights were Colonel General of Aviation Ye.I. Shaposhnikov, commander-in-chief of the Air Force; Colonel General of Aviation V.V. Yefanov, commander of military transport aviation of the Air Force; Col. Gen. V.A. Achalov, commander of Airborne Assault Troops; Major General V.R. Markov, first deputy chief of staff of Airborne Assault Troops; Lieutenant General of Aviation G.M. Benov, chief of the Political Directorate of the Air Force; Col. A.V. Rutskoy, RSFSR People's Deputy; S.D. Shatalov, RSFSR People's Deputy; Col S.I. Nikiforov, commander of a military transport aviation regiment; M.I. Pustobayev, assistant flight chief at flight control center; Col. G.V. Nazarikov, first deputy chief of the Political Department of military transport aviation of the Air Force; A.A. Kotenov, chairman of the Union of Afghan Veterans.

[Pustobayev] There are arguments in favour of the coup story, and arguments against it, of course. And any lack of clarity....

[Col. Gen. of Aviation Ye.I. Shaposhnikov] Do you not have commanders or chiefs of political bodies whom you could approach to sort out all these matters?

[Civilian] Given that your thoughts turned to a coup, you will no doubt know that here in Moscow there is the Taman Division. Yes? You know about it?

[Pustobayev] Yes.

[Civilian] There is the Kantemirovskaya Division. Yes? You know about it?

[Pustobayev] Yes.

[Civilian] There is the Dzerzhinskiy Division. There are two brigades of special forces. And those two battalions, say, would not have been able to do anything at all here.

[Pustobayev] All the same, it gave me food for thought, and I discussed my doubts with Deputy Shatalov. I asked him. It seemed to me that Gorbachev and Yeltsin were less concerned than anyone else about a coup in this country. And that is why I decided to send a letter. After that... that is, I bypassed the normal channels, the command, or the political bodies, because I supposed that if it had really been a coup—it does not matter what you call it: a putsch, or something else—then I could in fact have been physically removed.

[Shaposhnikov] What were these strange thoughts you had? If a military coup occurs, you thought, I will be done away with. But if it was going to be a miltiary coup, it meant that a military figure would be in power.

[Pustobayev] No, let us not use the phrase "military coup." I had in mind a coup in general—that is, a return to the position of a government of the Brezhnev or Stalin type.

[Unidentified military officer] But you are a military man. What, is this what the atmosphere is like in your regiment or in your group at the flight control center? Because for a military man to get the idea of some sort of coup into his head just like that—it just does not seem to be based on anything.

[Civilian] You are a skilled person, an officer. You should be able to comprehend what a spot-check is. That is what I thought when I was asked the same question. I read this, and then I saw "Vzglyad." I thought that perhaps this person has only just been put into a uniform, and he does not realize that spot-checks take place. Or else perhaps there is really something I have not grasped.

[Military officer] And then this matter of redeploying troops to the Moscow region. And in the Bryansk region, which is almost 300 km from Moscow. Ryazan is 200 km from Moscow. Where are we supposed to fly? We are not allowed into the Baltic region or into the Transcaucasus. And we are not allowed into areas somewhere closer to Moscow either. So where are we to fly and how are we to perform our combat training and carry out our training

tasks. I have a map here. I cannot of course show it in front of the cameras.... [screen goes blank]

[Announcer] From that point, it was all secret.

[Politkovskiy] All the viewers and I personally are interested, nevertheless, in what is going to happen to the major.

[Col.-Gen. of Aviation Ye. I. Shaposhnikov] What do you mean, what is going to happen to the major? I think you have to account for everything—for good things and bad. And when someone goes in for an irresponsible statement in the news media, he has to answer for it. He has to answer under Soviet law. So I think that the case has to be handed over to the investigative bodies, and if they establish that an offense has taken place in connection with the divulging of a military secret or the insulting of officials in the statement that comrade Pustobayev made, he will answer in law. If not, then I think that the case ought to be submitted to an officers' collective for a decision.

[RSFSR People's Deputy S.D. Shatalov] They are called up and armed. They fly and stop 60 km from Moscow. They are all the time at sentry readiness. They are not permitted to absent themselves from their airplanes and they are not set the tasks which should be set during exercises. Why exactly have they flown? Officers, higher officers, say that if someone asks you, answer that you have flown here for potatoes. They return. For the meantime everything is more or less quiet and then quite surprising news begins. Kryuchkov speaks about the fact that he knows nothing about any such transfer of troops to the Moscow outskirts. This is done at the Supreme Soviet, in front of deputies, in front of the president. TASS distributes information about the fact that there is no transfer of heavy transport aircraft. And Yazov's answer is also completely incomprehensible. What then has happened in the Moscow outskirts? Well, of course, an officer starts to think; as a citizen, he starts to think. The thing is that our oath is not now perfect and it can quite feasibly happen that people are called up, thrown into action somewhere and only later discover what is happening and how and why. They are also completely unprotected against being thrown into action against the people.

Moiseyev Discusses Defense Industry Conversion

LD2210094190 Moscow TASS International Service in Russian 0820 GMT 22 Oct 90

[By TASS correspondent Oleg Moskovskiy]

[Text] Moscow, 22 Oct (TASS)—In an interview today with a TASS correspondent, on the conversion taking place in the country's defense industry, Army General Mikhail Moiseyev, chief of the General Staff of the Soviet Armed Forces, gave a reminder that "the USSR has proposed to all nations of the world that they submit their plans for conversion to the United Nations and examine this question at the General Assembly."

The chief of the General Staff said that, in accordance with a draft state program for conversion of the defense industry drawn up in the Soviet Union, some 420 defense enterprises will reduce the volume of military production by between 5 and 100 percent by the year 1995. By 1995, more than 60 percent of output at existing defense enterprises will consist of consumer goods. Mikhail Moiseyev says this conclusion is backed by figures showing that, last year, 1989, the proportion of consumer output at these enterprises was 40 percent, while this year it is 46 percent. "As we see, the growth is obvious," the general noted.

He added that three former defense enterprises, two which used to produce fuzes for shells and cartridges for infantry weapons and one which built small ASW patrol boats, have been fully converted to production of consumer goods.

"We are ready to familiarize ourselves with the U.S. experience. The things I saw there during my recent visit allow one to hope that there will be fruitful cooperation in the sphere of conversion," Gen. Mikhail Moiseyev concluded.

Army Political Chief Visits Carpathian Lvov

PM1910151090 Moscow KRASNAYA ZVEZDA in Russian 19 Oct 90 First Edition p 1

[KRASNAYA ZVEZDA correspondent V. Bogdanovskiy report: "On the Path of Perestroyka"]

[Text] Colonel General N.I. Shlyaga, chief of the Soviet Army and Navy Main Political Directorate, has visited the troops of the Carpathian Military District. He was acquainted with the course of combat and political training and the life and customs of the servicemen.

He had meetings with the district's command and political personnel. Addressing those present, Col. Gen. N.I. Shlyaga devoted particular attention to problems of reforming Army and Navy political structures. The main avenues of the quest for the optimum model for future military-political organs were discussed.

Col. Gen. N.I. Shlyaga also had conversations with the leadership of Lvov Ukrainian Communist Party Obkom [oblast party committee] and the professorial and teaching personnel of Lvov Higher Military-Political School.

Army, Navy Komsomol Workers' Conference Held

PM2210104690 Moscow KRASNAYA ZVEZDA in Russian 21 Oct 90 First Edition p 1

[Report by Major S. Kalinin from Moscow under the "Direct Line" rubric: "Beginning the Reform"]

[Text] A conference of leading Army and Navy Komsomol [Communist Youth League] workers has taken place.

The discussion was not simple. And that is understandable. The cardinal changes that are overdue in the activity of the Army and Navy Komsomol were discussed. The conference participants agreed that the question of full organizational and financial autonomy for Komsomol organizations, the simplification of apparatus structures, and cuts in their manning levels has become urgent. It was also noted that the activities and range of interests of Komsomol committees and bureaus have long embraced not only Komsomol members, but all young people in military collectives. This is for a number of reasons, not least of which is the decline in the numbers of Komsomol members among draftees, a decline that continues from year to year.

In the opinion of the conference participants, the need has arisen for the institution of youth workers in the Armed Forces to be created. They would operate within the structure of military-political organs, have an appropriate status, and implement state youth policy in the Army and Navy.

But all this requires a thoughtful approach and responsible analysis of the proposed reorganization measures. So probably this was not the last such conference. But "too many sittings" are also dangerous. Time and events rush on and force the pace. We must not remain on the sidelines of political and social life or lose young people's confidence. We must find answers to questions and ways of resolving problems.

And act.

Belousov on Social Security for Servicemen

91UM0039A Moscow KRASNAYA ZVEZDA in Russian 10 Oct 90 First Edition pp 1, 2

[Interview with I.S. Belousov, deputy chairman of the USSR Council of Ministers, by Lt Col V. Kosarev; date and place not given: "Precedence for the Soldier and Officer"; first paragraph is introduction]

[Text] KRASNAYA ZVEZDA has informed its readers that the USSR Government has adopted a program of social security for servicemen and their families and for persons discharged from active military service. What kind of program this is, what issues it covers, and how it will be implemented are described in our correspondent's interview with Igor Sergeyevich Belousov, deputy chairman of the USSR Council of Ministers.

[Kosarev] Igor Sergeyevich, for the first time a program of social security for servicemen and their families and also for persons discharged from active military service has been drawn up. Tell us what the basis of it was. What, in your view, is most material and important in it?

[Belousov] Yes, such a program has, indeed, been created for the first time. The need to elaborate it was dictated by the ideas and very logic of perestroyka and the processes occurring in the country. We have today approached an entirely new understanding of the problems associated with realization of the state's social policy. We are now unhesitatingly, vigorously departing from the "residual" principle of solving social questions, when they were regarded not as priority but as secondary and not of equal significance with questions of the development of industry, science, and provision of the Army and Navy with arms and military equipment. All this is a thing of the past. Now, despite all the difficulties being experienced by the country, man should be at the center of the state's attention. In the Army—the soldier, sailor, sergeant, ranking NCO, warrant officer, and officer. It is about them that concern should be displayed primarily, and it is for them that we need to find financial and material resources. The program of social security for servicemen and their families is a continuation and development of the process of solving social questions which has already begun. Decisions have already been adopted on improving pay for certain categories of servicemen, servicemen's pensions, and such.

The most important problem today of providing servicemen and their families and also persons released into the reserve or retirees with housing is being resolved as a matter of principle. I would note that 19.4 million square meters of living space are to be built in the 12th Five-Year Plan from capital investments allocated by the USSR Defense Ministry. The program that has been adopted provides for a considerable increase in housing construction. Thus the construction of apartment houses with a total area of 24 million square meters is scheduled for the USSR Defense Ministry in the 13th Five-Year Plan, and 25 million square meters of housing in the 14th Five-Year Plan.

But it needs to be borne in mind here that this problem has been exacerbated not only because of the withdrawal of our forces from the East European countries, which has begun, and the reduction in the USSR Armed Forces. It is further complicated by the fact that the Union republics are failing to meet the targets set for them pertaining to the allocation of living space for USSR Defense Ministry needs. Thus in four years of the current five-year plan they have fallen 475,700 square meters short in the supply of housing. Nor are the deadlines for accommodations for persons discharged into the reserve or retirees being met in the republics. I am saying this to emphasize the complexity of the situation which has arisen, which has become exacerbated even more in recent years in connection with the fundamental changes which have been taking place in both the political and economic walks of life. And it will not be resolved without a unification of efforts of the Union and republic governments and deputies of all levels.

The document adopted by the government is a specific action program specifying what social questions should be prepared and resolved and an outline for the timeframe of their realization. Doing everything "at a stroke" is, naturally, impossible, once again because of the

economic difficulties which the country is experiencing. The program proceeds from the need for a consistant improvement in the social position of servicemen of all categories.

[Kosarev] What range of problems does the program encompass?

[Belousov] It may be said without exaggeration that it encompasses all the basic questions of social security: the status of servicemen and persons discharged into the reserve or retirees, an improvement in their material support and service and everyday conditions, specifically, an increase in pay for all categories of servicemen, an improvement in the provision of food for all persons on compulsory military service and an upgrading of the remuneration of and material support for military construction personnel and the provision of housing for servicemen and their families, persons discharged into the reserve and retirees, and persons due to move from secret and exclusive military camps, and also workers and employees residing outside of the camps and communities. As I have already said, a specific timeframe has been determined for the solution of these questions. Some of them will be prepared and, I am convinced, approved by the government in 1991. For example, questions concerning an improvement in the material position of persons on compulsory military service, a further improvement in the system of pay for the officer corps, warrant officers, and persons on extended military service, an upgrading of the remuneration of military construction personnel and others.

[Kosarev] Igor Sergeyevich, you will agree that in previous years we suffered from no shortage of programs, which applied to various strata of the population. But far from all of them were fulfilled. For the reason also that they contained too many general proposals: "to improve," "to upgrade," "to strive for," and so forth. How specific is this program? On what kind of period is its implementation based?

[Belousov] Yes, unfortunately, it was not possible to implement all the programs which were adopted previously. There are both objective and subjective reasons for this. Some of them, I agree, suffered from lack of specificity. The program which has just been adopted was prepared on a different level. Specific quotas are established for the most important problems, and the appropriate ministries and departments are instructed to prepare specific government decisions. Implementation mainly of questions of material support and conditions of service and social life in 1991-1993 are contemplated.

As already mentioned, the extent of housing construction has been determined for the 13th and 14th five-year plans. Simultaneously the USSR State Planning Committee, Defense Ministry, and Ministry of Internal Affairs, with the participation of interested organizations, have been instructed to draw up prior to 1 November 1990 a draft ordinance of the USSR Council of Ministers on priority measures to be realized in 1991. But I would not want readers to get the impression that the instrument adopted by the government will make it possible to solve literally all social problems of the Armed Forces. I emphasize once again that the program reflecting new approaches in the realization of the state's social policy represents a plan of action for the immediate future, a plan on which we need to work most perseveringly.

[Kosarev] A program to stabilize the country's economy and its transition to a market economy is currently being discussed at the USSR Supreme Soviet session. It is known that one priority measure envisaged by this program is a recovery of the financial system and a strengthening of the ruble. Nonetheless, we hardly have any reason to hope that it will be possible to quickly halt the inflation processes. Does the program of social security for servicemen take this into consideration? Is it forward-looking?

[Belousov] Of course, it cannot be said that the adopted program takes account of all these phenomena in full. I am convinced that questions of social protection in connection with inflation processes should be tackled as a whole for all strata of the population, servicemen included.

[Kosarev] The USSR president recently adopted an edict aimed at the increased social and legal protection of servicemen. I would like to know in more detail what measures of social protection the new program envisages for the servicemen.

[Belousov] The program instructs the USSR Defense Ministry, in conjunction with the appropriate ministries and departments, to draw up in 1991 the draft USSR law "Status of Servicemen," to provide for measures pertaining both to the social security of servicemen and persons discharged into the reserve or retirees and also to liability for moral or other harm caused them. It is entrusted also with elaborating and presenting in 1990 proposals on social insurance and the establishment of compensatory payments to servicemen or their families in the event of the wounding, shell shock, mutilation, or death of servicemen in the period of military service in peace time.

[Kosarev] How realistic, in your view, is fulfillment of the scheduled program within the timeframe determined by the government? And what difficulties will be encountered en route to its realization?

[Belousov] The measures which have been mapped out would seem perfectly practicable, otherwise there would have been no point in adopting this program. But the big difficulties in realization which they contain also have to be seen. For example, the finding of additional financial and material resources. Considerable difficulties will have to be overcome in catering for housing construction also. The USSR Council of Ministers' order approving the program instructs the USSR Defense Ministry to study the question of suspending (putting on hold) and

postponing the start of the construction of some production facilities in order to find additional capital investments and material resources for housing construction in the next two years. It is also proposed to increase the capacity of the production base of home building proper to 2.9 million square meters a year. Next year 20 military construction detachments working on the installation of national economic facilities will be transferred additionally to the Defense Ministry (15 detachments have been transferred in the current year) for an expansion of housing construction. It is stipulated that the material and technical resources for supporting housing construction should be allocated on par with the accomplishment of the most important national economic and defense assignments.

However, accomplishing housing construction in the planned volume by the efforts of the USSR Defense Ministry alone is, of course, impossible. The assistance of the central planning authorities of all the Union republics in the allocation to this end of additional material investments and material and technical resources is essential.

[Kosarev] Igor Sergeyevich, the final question is as follows. From what resources is it planned to realize the program, and how much will it cost the state?

[Belousov] Practically all the measures envisaged by the program will be accomplished from resources released as a result of the reduction in the manning level of the Army and supplies of arms and military equipment. I would like to mention that all the work on realizing the program will be performed in close contact between the appropriate government authorities and the leadership of the USSR Defense Ministry. We will jointly look for ways to overcome difficulties in the solution of social questions and really, in practice, help our Army and Navy, our fighting men and members of their families. This is our common duty.

The media could render big assistance here. The press, particularly. In speaking of the Army and its problems, mention has to be made of the shortcomings, but it is no less useful also to see the good things which there are in the Armed Forces and which are being done and to remember to describe the people and military outfits which have succeeded in solving one question or another to improve the life of their men. I am counting a great deal here on KRASNAYA ZVEZDA, for which I have harbored constant respect my whole life. I do not want to oppose one newspaper to another but I believe that ever increasing significance is attached and will continue to be attached under our new, quite difficult conditions to the policy line pursued by KRASNAYA ZVEZDA. It should serve the main purpose—the strengthening of the Soviet Army and the defense capability of the state and Soviet people's ideological revival.

Baltic Republics

Baltic, Nordic Council Leaders Meet 20 Oct

LD2010131690 Moscow TASS in English 1244 GMT 20 Oct 90

[By TASS correspondent Albert Maloveryan]

[Text] Tallinn October TASS—A visiting delegation from the Nordic Council, led by Council President Pall Petersson, met with members of the Baltic Council, including Estonian President Arnold Ryuytel, Latvian president Anatoliy Gorbunov and Lithuanian President Vytautas Landsbergis, here on Friday.

The Nordic Council unites Denmark, Iceland, Norway, Finland and Sweden.

A joint communique adopted by the two councils says that this was the "first official contact between the two regional inter-state associations".

The meeting focussed on environmental and cultural issues.

The Baltic states expressed their wish to receive the observer status in the Nordic Council.

Legislators of Latvia, Lithuania and Estonia were invited to participate in the Nordic Council's session, to be held in Copenhagen next February.

Reportage on Lithuania-USSR Talks in Moscow

'Major Progress' Noted

LD1910224190 Moscow TASS in English 1948 GMT 19 Oct 90

[By TASS correspondent Aleksandras Budris]

[Text] Moscow October 19 TASS—Lithuanian and Soviet representatives have made "major progress" in their talks in Moscow, Lithuanian Prime Minister Romualdas Ozolas told journalists. An experts' meeting in the Kremlin between October 18-19 discussed draft proposals for the forthcoming consultative meeting of Lithuanian and Soviet official delegations.

Ozolas said four out of ten joint expert groups, set up by the working group on negotiations between Vilnius and Moscow, were in attendance. The group was led by Romualdas Ozolas and Soviet Deputy Prime Minister Vitaliy Doguzhiyev.

Ozolas said that, despite existing "difficulties" in the work of the group, the proposed agenda for Saturday's consultations between Lithuanian and Soviet official delegations "remains unchanged".

According to him, delegations, led by Soviet Premier Nikolay Ryzhkov and Lithuanian President Vytautas Landsbergis, will consider issues connected with the protocol on the beginning of official bilateral talks, the call-up of Lithuanian youths into the Soviet Armed Forces, economic links between Lithuania and the USSR, visa and customs regimes.

Ozolas refused to comment on predictions that the delegations were likely to sign on Saturday a protocol on the beginning of the talks.

The first consultative meeting of official delegations, appointed by the Soviet president's decree and the Lithuanian parliament's resolution, was held on October 2.

At that meeting a working group was set up to work out procedural matters and the work schedule for the delegations as part of preparations for future bilateral talks.

Lithuania Seeking Protocol

LD2010195890 Moscow Television Service in Russian 1800 GMT 20 Oct 90

[From the "Vremya" newscast]

[Text] The second consultative meeting between delegations of the Soviet Union and Lithuania, headed by Ryzhkov, chairman of the Council of Ministers of the USSR, and Landsbergis, chairman of the Supreme Soviet of the Lithuanian Republic took place in the Kremlin today.

It was noted that the joint working group carried out a great deal of work to prepare the talks. An accord was reached on the subject matter. Many procedural questions were solved. The organizational plan for the forthcoming talks has basically been approved. The delegations discussed a number of questions whose solution would make it possible to remove sources of tension between the two sides.

Taking into account the desire of the Lithuanian side, which was insisting on the signing of a protocol before the start of talks, a decision was taken to entrust the joint working group with additional examination of this question and with presenting its proposals within 10 days. The delegates take as their starting point the fact that the official talks should start no later than by 20 November.

There was a press conference at the USSR Council of Ministers today on the results of the talks.

Landsbergis on Moscow Talks

LD2010181790 Moscow TASS International Service in Russian 1725 GMT 20 Oct 90

[By TASS correspondent Aleksandras Budris]

[Text] Moscow, 20 Oct (TASS)—"The talks between Lithuania and the Soviet Union could begin at the end of November." This is the view of Vytautas Landsbergis, chairman of the Lithuanian parliament. He was giving a short interview to journalists this evening after the conclusion of the second consultative meeting between official delegations from Lithuania and the USSR,

headed by Landsbergis and Nikolay Ryzhkov, chairman of the USSR Council of Ministers.

The chairman of the Lithuanian legislature noted that an appropriate protocol must be signed before the talks commence. He said that the delegations have given a joint group 10 days to draw up the text of a draft protocol which would be "acceptable to the sides". The group, which was set up at the previous consultative meeting and which is headed by Romualdas Ozolas, the Lithuanian deputy prime minister, and Vitaliy Doguzhiyev, deputy chairman of the USSR Council of Ministers, will begin the work on Monday.

At the meeting Vytautas Landsbergis said, "certain vital issues whose solution would help avoid new tension in Lithuania" were also discussed. He mentioned, in particular, the conscription of young Lithuanians into the Soviet armed forces, the issue of visas to foreigners by republican departments for travel to Lithuania, and the work of customs services. The sides agreed that joint groups of experts would continue to study these problems.

Kazimiera Prunskiene, the Lithuanian prime minister who took part in the meeting, told the journalists that unlike the previous consultations most attention had been given today to political aspects. Speaking about the prospects for concluding a trade and economic agreement between Lithuania and the Soviet Union, she noted that this is still held up by the "problem of demarcating the jurisdiction of the center and the jurisdiction of the republics", especially as regards the distribution of raw materials, on whose import the Lithuanian economy depends.

Prunskiene on Moscow Talks

LD2010164990 Vilnius Domestic Service in Lithuanian 1000 GMT 20 Oct 90

[Text] A consultative meeting of the official delegations of Lithuania and the Soviet Union devoted to the examination of problems concerning the negotiations between both countries started today at 1100 Moscow time in the Kremlin.

The Lithuanian delegation is led by Supreme Council chairman Vytautas Landsbergis, and the Soviet delegation by Council of Ministers Chairman Nikolay Ryzhkov.

On the way to the Kremlin, Prime Minister Kazimiera Prunskiene stated that it is expected at this meeting to come closer toward an agreement on the further work and [word indistinct] some problems. But it will be hardly possible to reach a final decision on the negotiations themselves. The negotiations are intended to solve the problem of the call-up of young people to military service and of entry visas.

Apart from that, I have brought one problem from Sweden, Kazimiera Prunskiene said. It will be necessary to agree with the Soviet Union that there are no obstacles to the Baltic declaration program. And this work is starting in [passage indistinct].

Replying to the question of how much influence visits to foreign countries have on the meetings in the Kremlin, Kazimiera Prunskiene stressed that a strong international rear is being formed. The last visit to Sweden supplied a new formula which should move the solution of the fate of the three Baltic republics. Our problem is being transferred to the agenda of international [word indistinct] and the negotiations with the Soviet Union are becoming [words indistinct].

Vytautas Landsbergis arrived in Moscow from Tallinn just before the meeting in the Kremlin because yesterday [word indistinct] not a single airport in the Soviet capital granted the plane permission to land. By the way, Kazimiera Prunskiere, flying from Stockholm to Moscow, landed in Leningrad and arrived from there by train.

The meeting in the Kremlin should finish about midday, to be followed by a news conference.

Ryzhkov Talks With Delegation

PM2110222190 Moscow IZVESTIYA in Russian 22 Oct 90 Union Edition p 1

[Report by A. Protsenko: "Moscow-Vilnius: Talks Will Begin at End of November"]

[Text] Despite being Saturday it was almost a full working day—the second consultative meeting between the Soviet and Lithuanian delegations headed by N.I. Ryzhkov, chairman of the USSR Council of Ministers, and V. Landsbergis, chairman of the Lithuanian Supreme Council, lasted 1100 through 1800 hours 20 October. Straight after the meeting the head of the USSR Government held a news conference at which he talked about some of the results of the talks.

These were indeed real talks, although the Lithuanian side prefers to call them consultations. The republic's new leaders are obviously very eager to observe form—including acting by international protocol as High Contracting Parties. Practical results are more important for the second side—USSR Government leaders—as Ryzhkov's answers to journalists' questions revealed.

Results have already been attained. In particular, a previously contentious issue has been resolved—participants in the Great Patriotic War resident in Lithuania will have the same privileges as all residents of the Soviet Union. The Lithuanian delegation guaranteed this.

On the other hand, no acceptable solution has yet been found to another more serious question—the draft of Lithuanian citizens into the USSR Armed Forces. The Lithuanian side has proposed that, beginning with the fall draft this year, the principle of free will as regards military service should operate on the republic's territory—without any steps being taken against young men

who refuse to serve in the Army. The Union government's response was that the Lithuanian republic is part of the Soviet Union, which has a Constitution and a Law on Universal Military Service. The USSR Government, according to Ryzhkov, may meet them halfway and consider the question of some young men drafted in Lithuania serving in their own republic. But the most important thing is not to violate fundamental principles.

The talks on this question will continue.

Problems of economic relations between the Union and Lithuania in 1991 were examined in great detail. In Ryzhkov's opinion, the Lithuanian leadership has frequently said that the republic's economic position next year is a great source of alarm to it. But they are doing virtually nothing to solve the problem. This time Lithuania was warned that it either stays within the USSR national economic complex and the questions then have to be solved by the USSR Gosplan [State Planning Commission] and other central economic departments, or else it says that it is no longer a part of this complex and resolves its problems independently.

Ryzhkov said that the Lithuanian side was on the point of voicing its intention to manage with "horizontal ties" alone with the 12 Union republics (minus the Baltic region) and conduct its entire economy via direct treaties. But it asked whether the USSR Government will act as guarantor of these direct ties. This was refused. The upshot is that Lithuania's representatives will come to Moscow within the next few days to coordinate all questions of the republic's economic ties with the USSR.

But all these questions relate to today and do not solve the main question: How will the USSR's relations develop with the Lithuanian republic? According to Ryzhkov, there are approximately 10 fundamental questions which require that interests be coordinated. They include property, borders, and citizens' rights and freedoms. That is why the USSR Government is interested in the speediest start to full-blown negotiations. But Moscow is getting the impression that, whereas Vilnius was previously in a great hurry, the Lithuanian side is now delaying the talks on all manner of pretexts.

Nevertheless, the sides agreed at this meeting that official talks between Lithuania and the USSR will begin toward the end of November.

Ryzhkov Cited on Relations

PM2110223590 Moscow PRAVDA in Russian 22 Oct 90 First Edition p 1

[Report by V. Shirokov: "Authorities Should Wield Authority"]

[Text] Saturday's second consultative meeting between N.I. Ryzhkov, chairman of the USSR Council of Ministers, and a Lithuanian delegation lasted seven hours virtually uninterrupted. At the end of the talks Ryzhkov met with a group of journalists representing the central publications, TASS, radio, and television. Anticipating answers to our questions, Nikolay Ivanovich recalled that the first consultative meeting with Lithuanian representatives was held 2 October. It mainly discussed procedural questions.

The present meeting was prepared by working groups which outlined a list of questions which were the subject of the talks. The groups did their work well, and that is why the discussion was so detailed and thorough. The problem of privileges and pensions for veterans of the Great Patriotic War resident on Lithuanian territory was eliminated right away. The Lithuanian side submitted a document whereby privileges and pensions will be fully guaranteed, just as throughout the Soviet Union.

The fact that the Lithuanian delegation did not agree to representatives of the republic's other nationalities attending the meeting, albeit as observers, caused some perplexity. In Ryzhkov's view, this is undemocratic.

The fact that people in the republic do not intend to fully implement the fall draft into the Soviet Army also did not meet with understanding from the Union government. There exists the country's Constitution, and every young person is obligated to perform his civic duty. The fact that some draftees could be left to serve on Lithuanian territory is another matter. No one is allowed to violate the Law on Universal Military Service.

The Lithuanian leadership, which at one time was pressing for talks to begin, has for some reason begun to hang fire on this process. Nevertheless it was decided in the course of an intensive discussion that talks will begin toward the end of November.

Answering correspondents' questions, Ryzhkov said that the Lithuanian national economy can only function normally within the single economic expanse afforded by the Union. Especially since the presidential concept for the transition to the market envisages concrete ways for each republic to establish market relations.

Extreme separatist tendencies must be avoided. Republics' secession from the Union would roll back their economy not just by years but by decades. Only as a unified state is our country of interest as an economic partner. But the sovereign rights of the republics and autonomous formations will not be encroached upon to any degree whatsoever.

Concluding his meeting with the journalists, Ryzhkov stressed once again that a strong executive from top to bottom is needed to implement economic reform. The authorities must exercise authority and not just be an amorphous structure, otherwise breakdowns in the national economy are inevitable. Incidentally, the legislative power must also concern itself with the execution of laws and decisions. Only respect for the law on the part of all citizens can provide us with a way out of the crisis. World experience shows that all countries that have switched to market relations had tough, strong authorities—naturally operating within the framework of the law.

Nobel Imposes Gorbachev 'Obligation' to Lithuania

PM1910161990 Helsinki HUFVUDSTADSBLADET in Swedish 18 Oct 90 p 5

[Report by Maria Romantschuk: "Landsbergis Pleased About Prize for Gorbachev"]

[Text] Vilnius—Lithuanian President Vytautas Landsbergis is pleased that Soviet President Mikhail Gorbachev is being awarded the Nobel Peace Prize this year. Landsbergis made his comment in the context of the trip being made by a Nordic Council delegation which has now reached Lithuania's capital, Vilnius. He said that the prize "is based on certain results" and that it will have repercussions for Lithuania's independence process since the prize represents an obligation to Gorbachev.

"We hope that our country will become independent more quickly thanks to this," Landsbergis said. He stressed that he hopes that the country will achieve independence through peaceful means.

"I am optimistic as far as the negotiations with Moscow are concerned," Landsbergis said, stressing that Lithuania is not looking indiscriminately for weapons in its efforts to achieve independence. According to some observers, the Lithuanian president has recently become much more careful in his statements.

The delegation of Nordic Council parliamentarians met the Lithuanian president yesterday as part of its trip to Moscow and the Baltic states. At the meeting the president was careful not to raise foreign policy questions and in this way respected his guests' express request. [Finnish] Eduskunta deputy speaker Elsi Hetemaki-Olander confirmed after the meeting that foreign policy and Lithuania's efforts to achieve independence were not discussed.

In his talks with the Nordic parliamentarians, Vytautas Landsbergis called for more concrete cooperation between the Nordic countries and Lithuania in the environmental field, and also in cultural and social affairs. The Lithuanian president did not raise the issue of very close contacts with the Nordic countries such as membership of the Nordic Council. Nor did he seek observer status, but he is hoping for closer cooperation so that the three Baltic countries "enter the structure of Nordic cooperation." He considers the forms for this cooperation to be in the hands of the Nordic countries. But there is a definite interest on the Baltic countries' part.

The delegation also met with representatives of Lithuania's various political parties. The talks with them were very general. A meeting was also held with the two deputy prime ministers, A. Brazauskas and A. Mozolas. Yesterday evening the delegation left for the Latvian border for meetings with politicians in Riga today.

Landsbergis Meets Nordic Council Delegation

PM1910152890 Moscow IZVESTIYA in Russian 19 Oct 90 Union Edition p 4

[ELTA-TASS report: "Guests of Lithuania"]

[Text] Vilnius, 17 Oct—A delegation of the Nordic Council headed by its president, P. Petersson, made a one-day visit to the Lithuanian capital today. Delegation members—parliamentarians of Sweden, Denmark, Norway, and Iceland—met with V. Landsbergis, chairman of the Lithuanian Supreme Council, who stated that the establishment of close cooperation between the Nordic Council and the Baltic republics is a long-standing dream of his.

P. Petersson noted that the invitation of Lithuanian parliamentarians to a Nordic Council session constituted the first step toward strengthening contacts.

There was also discussion of the possibility of establishing grants for young people from the Baltic states; opening information bureaus in Tallinn, Riga, and Vilnius; and establishing air links between the capitals of the Nordic Council countries and the Baltic states.

Prunskiene Holds News Conference on Swedish Visit

LD1910230490 Vilnius Domestic Service in Lithuanian 2000 GMT 19 Oct 90

[Text] The delegation of the Republic of Lithuania led by Prime Minister Kazimiera Prunskiene had a meeting today with the leaders of the Swedish Center Party and other politicians.

A news conference by the Lithuanian delegation for Swedish and foreign journalists was arranged at the end of the visit.

Lithuania is striving for extensive cooperation with Sweden, Prime Minister Kazimiera Prunskiene told the correspondents. Prospective spheres of the development of bilateral relations have been discussed at the meetings with the Prime Minister Ingvar Carlsson, representatives of parliamentary parties, and the leadership of the Swedish Export Council. Lithuania includes among them the use of oil fields and oil refining, the organization of agriculture, and the development of the republic's communication network. Extensive discussions have taken place on cooperation in the protection of nature. The possibility of opening the bureau of interest of the sides in Vilnius and Stockholm was discussed at bilateral talks, said Kazimiera Prunskiene.

The delegation left Stockholm today. Kazimiera Prunskiene is to take part tomorrow in a consultative meeting of the delegations of Lithuania and the Soviet Union in Moscow on bilateral inter-state negotiations.

Brazauskas Notes Soviet-Lithuanian Trade Problems

LD2010040790 Vilnius International Service in Lithuanian 2200 GMT 19 Oct 90

[Text] The government of the Soviet Union and Russia have not defined their competences. For instance, it is not clear who is the master of power resources: therefore we do not know the partner with whom we could negotiate about trade, said Lithuanian Deputy Prime Minister Algirdas Brazauskas after a talk at the Soviet Union's Council of Ministers.

He met there the prime ministers of the Union republics.

Algirdas Brazauskas stated that he did not receive replies to his questions either from the Soviet Union's prime minister, Nikolay Ryzhkov, or from other participants in the talk. In his opinion, by November the Soviet Union's republics will have solved many problems concerning their material supplies for next year. Only then will Lithuania know how to manage its economy.

Lithuania's Bickauskas Examines Independence

PM1910155090 Moscow MOSCOW NEWS in English No 41, 21-28 Oct 90 pp 1,4

[Interview with Lithuanian permanent representative Egidijus Bickauskas by Marina Podzorova; place and date not given: "Lithuania's Main Argument"]

[Text] [Podzorova] There is an opinion that Lithuania is procrastinating with the start of official negotiations in order to delay the moratorium on the March 11 Declaration of Independence.

[Bickauskas] It's not the first time I've heard this, and I don't like the question being put this way. We made it clear—very soon after the March 11 adoption of the Decree—that all issues must be resolved through negotiations. What we meant was a talk between parties on an equal footing, and not a talk between a feudal lord and his serfs. But we are not equal in our positions at present. Besides, certain points of procedure have to be clarified first, as is always done in negotiations. For example, we are not indifferent to the question of how we are to be formally presented to each other.

Therefore, we, in Lithuania, set up a special commission for the political, legal, and diplomatic preparation of the talks with the Soviet Union, in hope that a similar commission will be set up by the USSR side. We wanted the two commissions to work out the initial protocol mentioning conditions and procedures. But the Soviet side didn't give a positive response and insisted that all these issues were matters for the delegations proper. We once again conceded, and, as you know, the delegations met.

[Podzorova] Is Moscow prepared to recognize the Declaration of Lithuania's Independence?

[Bickauskas] I won't talk about Moscow here. Instead, I will mention the USSR leaders. And I think that they aren't yet ready for it.

[Podzorova] What in your opinion does the Centre want from Lithuania, at this stage of the negotiations?

[Bickauskas] I would speak about the USSR leaders rather than the Centre. They are hoping that we will eventually agree to sign the Union Treaty, even if with special conditions. I'm afraid that too few of the USSR leaders are aware of the fact that our participation in the Union Treaty has long been impossible.

[Podzorova] What is hampering an understanding between the sides?

[Bickauskas] I'm sure that no understanding can be possible if relations are built on lies. I believe that it's high time for the Soviet Union to recognize not only the fact of the signing of secret protocols to the Molotov-Ribbentrop Pact but also the gross injustice done by the Soviet Union to the Baltic states in 1940, with its implementation. The USSR must accept that the restoration of the independence of the Baltic states is the Soviet Union 's duty and not an act of charity. This would help generate trust among the Baltic nations in the Soviet Union, and resolve a whole range of issues, including ones which accued over the last 50 years.

[Podzorova] Can you offer us a kind of forecast for the course of the negotiations?

[Bickauskas] When I was asked to make a forecast about the past consultative meeting and about the future negotiations, I said that the talks would last either for five minutes or two years (I'm a pessimist rather than an optimist). However, it is too early to make any forecasts, because the rate of current change is precipitous, and developments in the Soviet Union of today are those of yesterday in Lithuania.

Still, I hope that after the future talks we will exchange ambassadors, if developments in the Soviet Union do not return it to the situation of ten years ago.

[Podzorova] How is your delegation going to prove to the opposite side the impossibility of cancelling the Declaration of Independence for Lithuania?

[Bickauskas] The main argument will be the decision of the Lithuanian people who, incidentally, chose their representatives to the Supreme Soviet of Lithuania according to the latters' attitude towards the issue of independence. to anticipate your next questions, I want to say that sociological polls repeatedly have proven that only an absolute minority of the population disaprove of the adoption of the declaration of Independence.

To continue, I would say that the views of the Soviet Union's leaders have undergone a certain evolution. The latest meeting of the delegations on October 2 was a perfect illustration. Frankly, I didn't have the slightest hope that it would proceed the way it did. I'm not

authorized to go into much detail here, but anyone can see a lot from reading the coordinated press release.

I think that we have to have patience. Unfortunately, many Lithuanians fail to interpret the situation in the Soviet Union now correctly and want an immediate solution for the major issues. The reaction is quite understandable, because the state of suspense is hard to bear. Having worked in the USSR Supreme Soviet for a year, I now realize that the influence of the conservative mentality mustn't be underestimated. I cannot exclude the possibility that undertanding between the sides will come only very slowly.

[Podzorova] Considering that the signing of the Union Treaty is not among Lithuania's intentions, I conclude that you treat the issues connected with the adoption of Shatalin's programme as something which doesn't concern your Republic. Am I right?

[Bickauskas] Yes and no. Since we have many economic ties (and I hope that more ties will develop, only on a different basis) we are closely watching the development of events here. We are going to coordinate our activity to match the situation. But we by no means want the programme to fail, and hope that it will be adopted. Our representatives also contributed somewhat to its design. However, no direct involvement in this programme is envisaged by the Lithuanian republic. We wouldn't rule out participation of Lithuania if it weren't for the Political implications. The designers of the programme must necessarily take our attitude towards it into account, so that troublemakers don't blame the difficulties of the transitional period on the Baltic nations.

Incidentally, independent Lithuania is probably more faithful in fulfilling its contractual agreements than any other Republic which de jure belongs to the Union.

Returning to the subject of future talks, I hope that both sides will treat the meeting conscientiously and responsibly (I have no doubts that Lithuania will), because behind the delegations are millions of people whose future might be affected, as well as the fate of the further democratic changes in the Soviet Union, and I would even say, the future of all of Europe.

Grain Supply Situation in Lithuania Assessed

LD1910205990 Vilnius International Service in Lithuanian 2200 GMT 18 Oct 90

[Report by correspondent Roma Pakeniene from Vilnius]

[Text] This year Lithuania's agricultural workers stored 3.72 million tonnes of grain in the granaries. The yields were good but the state grain fund is half empty. Although grain purchasing prices have been increased farms and individual farmers are not in a hurry to sell their grain.

Rima Jakutyte comments on the reason for this phenomenon:

There are two reasons: There is no guarantee that after selling grain it will be possible to buy fodder for animals and poultry. The second reason—some farms in the neighboring Soviet republics have been purchasing grain at much higher prices. Thus Lithuania's agricultural workers doubt whether one tonne of grain is really worth only 300 rubles.

The state granaries presently have 345,000 tonnes of grain. Last year nearly 90,000 tonnes more were purchased. According to agreements with farms and farmers grain was purchased by Maliba association enterprises. Thus the state granaries contain practically only the quantity of grain envisaged in the agreements.

Recently Maliba announced that farmers and farms desiring to sell additional quantities of grain to the state will be paid up to 500 rubles per tonne. However, according to a Maliba association representative, higher prices do not interest agricultural workers and only about 10,000 addtional tonnes have been purchased. Grain sales to the state have virtually ended this year and we can hardly hope that the state grain fund will increase substantially.

In order to satisfy the population's requirements in bread, flour, groats, macaroni, and other products Lithuania needs about 700,000 tonnes of food grain annually. Lithuania never had such quantities of its own grain. But there was no worry as the necessary quantity used to be supplied from the centralized Soviet Union funds. This year we must find the way out ourselves. The Maliba association made us happy only with regards to rye bread. We are going to have sufficient quantities of it from our own grain. About 200,000 tonnes of grain have been purchased and this quantity will be sufficient for Lithuania.

But the most complicated situation is with wheat. Lithuania does not and cannot cultivate it because of climatic conditions. The most valuable wheat varieties are suitable for the production of macaroni, some kinds of flour, and other products. There is also a shortage of barley for the production of malt and groats.

According to Pranas Dailide, a Ministry of Agriculture official, this year we will have to import up to 300,000 tonnes of grain. We will have to replenish some food grain also from the Soviet Union's funds. Recently Lithuania's Premier Kazimiera Prunskiene and USSR Deputy Prime Minister Voronin signed a protocol which provides in the last quarter of this year for the Soviet Union to supply Lithuania with 470,000 tonnes of grain. This includes food and fodder grain.

But we will have to purchase the largest quantity of grain from the Soviet republics and in exchange sell Lithuanian consumer goods. The Lithuanian government has allocated 20 million roubles worth of such goods for this exchange. Of course Lithuania's half empty market will be even more empty, but bread is bread.

According to Pranas Dailide, the variety of these goods will not include food products—these will be industrial goods like television sets, refrigerators, and others.

The search for agreements advantageous to Lithuania continues. For instance, it has been agreed on principle that Orenburg Oblast in the Russian Federation will sell 100,000 tonnes of grain to Lithuania at state prices which are in force in the Soviet Union. Lithuania in turn will sell Orenburg Oblast goods which are in great demand at much higher prices, some of them even five or more times higher. Negotiations are also taking place on the grain purchases with the Ukraine and Kazakhiya. In Pranis Dailide's view, an agreement will be reached to the effect that grain purchased from neighbors will not exceed the present price paid in Lithuania. Only very valuable varieties may cost more. Pranas Dailide is firmly convinced that there will no bread shortage in Lithuania, and we need large quantities of it. In order to satisfy all needs roughly 334,000 tonnes of bread must be baked annually.

Klaipeda Threatens To Bar Pro-CPSU Paper

PM1910144390 Moscow PRAVDA in Russian 19 Oct 90 First Edition p 5

[Letter from Pavel Barovskiy, secretary of the Klaipeda Lithuanian Communist Party (CPSU) Gorkom: "Hounded Out of Printing Plant"]

[Text] The following statement was published in the independent newspaper KLAIPEDA 17 October. We quote:

"A statement from the Klaipeda department of the Lithuanian Freedom League, the Klaipeda department of the Union of Christian Democrats of Lithuania, and the Klaipeda department of the 'Jaunoje Lietuva' National Youth Union to Mr. V. Capas, chairman of the Klaipeda City Soviet, and Mr. A. Skirius, director of the 'Ritas' Printing Plant.

"We protest the printing of the newspaper KLAYPEDA SOVETSKAYA at Klaipeda's 'Ritas' Printing Plant. The publications LITVA SOVETSKAYA and TARYBU LIETUVA are printed in Minsk. We would not want a publication whose very name increases the political tension in Klaipeda—since it does not reflect the actual position (Klaipeda is not Soviet)—to be printed in Lithuania in Klaipeda.

"If this publication starts to be printed in Klaipeda, our organizations will seek measures to put a stop to the printing." It was signed by Arunas Trakunas, a representative of the Klaipeda department of the Lithuanian Freedom League; Rimas Antanaitis, a representative of the Klaipeda department of the Union of Christian Democrats of Lithuania; and Mindaugas Pietkus, a representative of the Klaipeda department of the "Jaunoje Lietuva" National Youth Union.

For our readers' information, the newspaper KLAYPEDA SOVETSKAYA—the organ of the Klaipeda Lithuanian Communist Party (CPSU) Gorkom [city committee]—has been registered with registration certificate No. 548 at the Press Monitoring Administration of the republic's Ministry of Internal Affairs on the basis of the law on the press and the other mass media and the powers of the Lithuanian Council of Ministers.

This is true "Lithuanian-style" democracy.

Respectfully yours, Pavel Barovskiy, secretary of the Klaipeda Lithuanian Communist Party (CPSU) Gorkom

Lithuanian Independence Party Elects New Chairman

LD2110212290 Moscow TASS in English 2104 GMT 21 Oct 90

[By TASS correspondent Kazys Uscila]

[Text] Vilnius October 22 TASS—The constituent congress of the Lithuanian Independence Party ended here on Sunday.

The party was set up on the initiative of the group of former activists of the public and political Sajudis movement. Many of them are members of the parliament and government.

They planned to name it the March 11 Party to mark the date when the Lithuanian Parliament adopted the act on the restoration of independence of the Lithuanian state. On Sunday, delegates decided to rename the party.

According to party organisers, its main aim is to "create an independent Lithuanian state". Republican Parliament Deputy Virgilijus Cepaitis has been elected party chairman. The Congress also elected a 30-person coordination council, including many parliament and government members.

On the eve of the second congress of Sajudis, which was held in April, Cepaitis favoured the reorganisation of the public and political movement into a party. The idea failed to find the support of the majority of delegates then.

'11 March Party' Founded in Lithuania

LD2110043490 Moscow TASS International Service in Russian 1720 GMT 20 Oct 90

[By TASS correspondent Kazis Ustsila]

[Text] Vilnius, 20 Oct (TASS)—"The restoration and strengthening of the Lithuanian state, of the democratic structures of this state": these are the main aims that another nascent social organization, the 11 March Party [Partiya 11 Marta], whose constituent congress opened in the Lithuanian capital today, sets itself.

Whether this party was to exist or not was essentially decided in the spring of this year, although this name was not adopted then. Then, on the eve of the congress of the

Sajudis national social movement, a group of its leaders insisted upon the reorganization of the social movement into a party, but the participants of the congress rejected that idea. Sajudis activists—part of them now deputies of the Supreme Council—formed the backbone of this action group and soon called for this party to be set up.

The birth of the new 11 March Party is perceived in various ways in Lithuania. On the one hand, there is the general disillusionment with parties and other social organizations about which it is no wonder that one gets confused. Second, some still fear that we will once again arrive at what we are trying to escape: people, a considerable part of whom sit in parliament or occupy other leading posts, will set up a party.

Around 200 delegates and 400 future members are working at the constituent congress. Kystutis Milyus, a member of the action group, said that the new party "is to be of the type of republican parties in the countries of the West." In his opinion not only will Lithuanians be members of the party, but also citizens of Lithuania of other nationalities who "will struggle for the independence, the statehood of Lithuania." Milyus thinks that the Christian-Democratic Party of Lithuania ought to be the close ally of the 11 March Party.

Today delegates to the congress elected the working bodies of the forum, heard reports, began to discuss the party's draft program, and intend to elect is leading body—a council [sovet].

The 11 March Party will continue its constituent congress on Sunday.

Latvian President Seeks Meeting With Gorbachev

LD1910203990 Moscow TASS in English 1639 GMT 19 Oct 90

[By TASS correspondent Galina Kuchina]

[Text] Riga October 19 TASS—Latvian President Anatoliy Gorbunov wanted to meet President Mikhail Gorbachev on October 13 but the presidium of the republic's Supreme Soviet advised him not to, it was revealed today.

In an interview, published in the popular newspaper LAUKU AVISE, Gorbunov said that prime minister Ivar Godmanis was also against the presidium's decision.

The president stressed: "Although it was politically disadvantageous to go to Moscow, since the Lithuanian and Estonian presidents had refused to go there, I wanted to set out our point of view because the transition period is crucial for shaping the future of the republic."

According to Gorbunov, he aims to restore Latvia's statehood. As early as in spring, he says, on the agenda in Moscow were special status for the Baltics and the confederation issue. But then everybody announced sovereignty and now it is hard to suggest anything special for a region.

"I don't know if the Soviet president now has a solution to the Baltic issue. We are at an impasse," Gorbunov stated. The problem is compounded by the fact that a bill recognising the Latvian state is needed for interstate talks, but the Soviet president has issued a decree ruling it out.

"How can we conduct talks?" asks Gorbunov. "Practical work has stalled. Lithuania is doing something along with Estonia, but we have no progress in Moscow."

Gorbunov does not blame any of the sides and suggests continuing mutual consultations that would cover economic issues as well.

"Our economic structure is such that the east serves as our supplier and consumer. We supply goods to the market in exchange for raw materials. It would be absurd to think that we can [word indistinct] links with the Soviet economy."

Latvia Communists Rejects 7 Nov Holidays Ruling

LD2010085490 Riga International Service in Latvian 1830 GMT 18 Oct 90

[Text] We have already reported that several organizations hostile to the idea of Latvian independence are turning sharply against the resolution of the Supreme Council of the Republic of Latvia not to mark any longer in Latvia the communist 7 November holiday when the regular anniversary of the 1917 October Revolution falls. The Bureau of the Communist Party of Latvia has in this connection adopted a special appeal which states: Forces hostile to the Latvian people's socialist choice are striving for social revenge, for the restoration of the bourgeois-nationalist dictatorship. They are cynically violating the Constitutions of the USSR and the Latvian SSR, [Soviet Socialist Republic] the decrees of the president of the USSR are creating chaos in society, and are provoking quarrels. Such an action by the parliament has aroused genuine indignation in hundreds of thousands of people, for whom the ideals of Great October are dear. No one has the right to take a stand against the will of the people, stresses the statement by the Central Committee, and further all residents of Latvia are invited to mass meetings and demonstrations on 7 November.

Thus it can be seen that the leaders of the Latvian Communist Party continue to ignore the resolutions of the first democratically elected Supreme Council in Latvia by appealing to citizens to disobey its lawful resolutions.

Latvia Claims Baltic Union Will Solve Problems

PM1910150890 London MOSCOW NEWS in English No 20, 12-18 Oct 90 p 12

[Report of undated New York interview with Latvian Foreign Minister Janis Jurkans by Jonas Lukosiavicius: "The Balts Are Back. Envoys From the Three Republics Turn Up at the UN"]

[Text] The three Baltic republics, which set up independent foreign ministries earlier this year, have for the first time sent their own missions to the UN. Moscow News' Jonas Lukosiavicious met Janis Jurkans, the Latvian Foreign Minister attending the latest session of the UN General Assembly in New York.

Earlier this year, the Soviet Foreign Minister, Eduard Shevardnadze, invited representatives of the foreign ministries of some republics in the Soviet Union to participate in this UN session. But Janis Jurkans said his status at the UN had nothing to do with Moscow, and that he had been invited by the Latvian Embassy in Washington.

He explained: "The Soviet Ministry of Foreign Affairs proposed that deputy foreign ministers from the republics should join the USSR delegation. For us this was unacceptable for obvious reasons." He said that the main task for the Baltic foreign ministers was to rally support, distribute their memoranda and meet representatives of foreign countries in the hope that the Baltic republics would be invited to take part in the Conference on Security and Co-operation in Europe (CSCE).

"We want every chance to explain to the West that European stability—indeed, world-wide stability—is impossible if the three Baltic countries are not given back the indpendence they lost before the Second World War. The UN can help us achieve our aims and that is where our problems should be considered. If the West had been united in the 1940s, as it is now in the face of Iraqi aggression, the situation in the Baltics would have been entirely different".

Before the war Latvia, Lithuania and Estonia were members of the League of Nations for 20 years. But it looks unlikely that the UN is ready to discuss Baltic membership of the UN yet. "This is the result of a vote taken by the Security Council (with Soviet and Chinese representation). But there are other international organisations and forums where the Baltic question could be sounded out.

"I hope very much that 1991 will be the year of the Baltics. Although most of the work must be done in Moscow, the rest of the world must not forget our problem. If no one recognises our three states, then Moscow won't. There is no other alternative."

So how in concrete terms do the Baltic foreign ministers envisage their future? A joint Baltic political stance? Jurkans said: "Once everything has been put in order, the Baltic nations will realise that a Baltic Union would help to solve their most urgent problems."

Estonian Dies Due to Alternative Army Service

PM1910151990 Moscow KRASNAYA ZVEZDA in Russian 19 Oct 90 First Edition p 1

[Report by TASS correspondent Ye. Kapov specially for KRASNAYA ZVEZDA under the "Fall Draft" rubric: "Alternative Service: Now the Cons...."]

[Text] Kohtla-Jarve—Relatives and friends bade their final farewell to Rolan Vorobyev, a "fighter," so to speak, on the Estonian alternative labor front without military honor or a gun salute.

I do not intend to make a direct connection between the young man's tragic death and his service. However, this case prompted me to take a deeper interest in alternative service, which is taking its first steps in Estonia.

After he and his friends had chosen labor service as an alternative to the Army, Vorobyev went off to Tallinn where he was assigned to the "Silikat" Production Association.

He and his comrades were first put in one hostel and then moved to another. A month after beginning his "service," literally a couple of steps from his temporary home, Rolan was brutally beaten up and died as a result in a Tallinn emergency hospital.

Here is what Eduard, Rolan's friend said:

"We lived as free working people, we even worked as fitters in the specialism we acquired at technical school. A certain sum was held back from our wages—for the alternative service. No one took an interest in us in throughout that period...."

Unfortunately, Rolan's employers were not interested in Vorobyev at his funeral either. There were no representatives of the "Geneva-49" movement at the cemetery. However, the movement is well known in Estonia for urging young men to renounce service in the Armed Forces. Regrettably, representatives of Estonia's Ida-Viruskiy district, whose duma adopted the decision on alternative labor service which has now been elevated to the rank of law in the Estonian Republic, did not come to voice their condolences either.

Many people are now talking about labor service in Estonia—with particular alarm of late, moreover. Even Estonian publications are unable to conceal their disappointment. The newspaper EDASI says:

"It started off splendidly: Roughly 700 young men in Tartu registered for labor service. Only 600 got as far as the medical commission. Something in the region of 500 remained to be registered by the distribution commission, of whom little more than 200 are at work as assigned. How many of these 200 will evade work in the near future?"

Here is another quotation: "...Labor service is not particularly pleasant: Some of your wages are retained and you have to spend two months of the year at some kind of camp or doing auxiliary work.

"...These days there are more than 300 young men roaming free around Tartu with neither a rifle nor a shovel in their hands."

...Rolan Vorobyev's funeral and the difficult life led by his contemporaries who are forced to perform labor service today make us think about what is to happen next. To what is this service an alternative in the prevailing situation?

Legal Status of Estonia's Radio 'Hope' Questioned

LD1910193190 Tallinn Domestic Service in Estonian 1500 GMT 19 Oct 90

[Text] Those who promptly organized the infamous Hope [Nadezhda] radio station have quarrelled with the law. According to the USSR Council of Ministers resolution No. 474 of 12 June 1980, the owner of the broadcasting means is obliged to apply for legal registration of any frequencies necessary for broadcasting. This has not been done so far, stated Toomas Somera, Estonian communications minister.

At the same time Estonian authorities are in a strange position. A proposal to stop the radio's work can be made to the transmitter's owner but there is no owner. Representatives of Intermovement as well as those of the military unit state that the transmitter is working, according to a directive received from a higher military power. An innumerable number of telegrams to the [USSR] Ministry of Defense and to the Baltic Military District have not brought any reaction. One cannot make an official proposal to Intermovement. The transmitter, indeed, belongs to the Army.

In essence, this is the case of a political issue here. It can be formulated as follows: military powers intrude in civil life and do not consider the legal rights of any local power.

RSFSR

Coverage of RSFSR Supremr Soviet Proceedings

Agrarian Issues Discussed

PM1910133490 Moscow SOVETSKAYA ROSSIYA in Russian 16 Oct 90 Second Edition p 1

[Report by TASS correspondents B. Argunov and R. Karkyakin under the rubric "At the RSFSR Supreme Soviet Session": "Attention to the Agrarian Issue"]

[Text] Moscow—The RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet session carried out work in committees and commissions 15 October. TASS correspondents visited the sitting of the Committee on the Agrarian Development of the Countryside since it is intended to hold an extraordinary Congress of RSFSR People's Deputies at the end of November where the agrarian question is to be examined.

How is the committee preparing for the congress? The correspondents put this question to V.S. Zakharov, deputy chairman of the Committee on the Agrarian Development of the Countryside.

[Zakharov] Over the last three months we have examined more than 40 varying draft laws. They have been formulated with the involvement of social organizations, ministries, departments, and research organizations, and have been submitted for consideration by all deputies. Twelve draft laws were finally singled out. They include three documents on land reform, laws on social policy in the countryside and the revival of the Russian countryside, and on individual peasant farming.

[TASS] Who will manage the land?

[Zakharov] This question has been studied sufficiently. On the basis of the draft land reform, local soviets will manage the land during the first stage. We intend to keep to the multifaceted approach in determining the policy for agricultural production. Collective forms of economic activity will be retained but alongside sovkhozes and kolkhozes [state and collective farms]—the major commodity producers—it is envisaged that peasant farms, the individual sector, cooperatives, and other forms of ownership will develop.

[TASS] A number of speeches made by deputies at the committee voiced the idea that it is necessary for the government to accord the agrarian sector priority treatment. Is that fair to other sectors?

[Zakharov] Why not? This demand was made at the first Congress of RSFSR People's Deputies and delegates supported by an overwhelming majority the agrarian workers' demand that the development of the agro-industrial complex be given priority—priority in the material and technical provisioning of the countryside and priority on questions of investment, tax concessions, and pricing. It can only be ensured through well-defined items of expenditure in the budget.

19 Oct Proceedings Reported

LD1910222190

[Editorial Report] Moscow Television Service in Russian at 2012 GMT on 19 October carries an 88-minute report with recordings on proceedings at the 19 October Russian Soviet Federated Socialist Republic [RSFSR] sessions held in the Soviet of the Republic and the Soviet of Nationalities, under the title "RSFSR Supreme Soviet diary."

The report opens with a recording of proceedings in the RSFSR Soviet of the Republic. Deputy Finance Minister Lazarev speaks on the RSFSR draft budget for 1991. He says that it takes Russia's sovereignty legislation into

account. Local authorities are given greater opportunities to decide the specifics within the framework set at RSFSR level, he says. He talks about tax proposals and the distribution of taxes on enterprises. Moving on to prices, he says that the economic plan provides for the application of contract prices. All these questions are to be discussed by the Council of Ministers and local bodies.

At 2024 GMT deputies contribute to the debate with warnings given about being over hasty. Lazerev responds saying that they have followed the 500 days program and hopes there will not be confrontation with the president's plan.

Novosibirsk deputy Vinogradova raises the issues of increased wages for educational workers and whether they will be protected, and of prices for children's goods. Lazarev says that the budget provides for subsidies for children's goods. A deputy asks if there are differences between the RSFSR budget and that of other republics. Lazarev says approaches are identical. A deputy asks about budget autonomy and what it means. Lazarev says there is autonomy in that every level has its own budget to implement. Touching on prices, he says that there will be increases; the question is how to regulate them.

Then Sokolov delivers a report on the budget. There is an attempt to introduce new elements, he says, and the budget needs to be worked on. Other specialists present their opinions in debate in connection with the relationship between the Union economic plan and the status of the RSFSR.

Voronin follows and speaks on the way in which sums are to be passed from the RSFSR to the USSR. Today shows the fruit of the article on the autonomy of the RSFSR which was passed by the majority of the deputies, he says. The decision on the 1991 budget is political rather than economic.

At 2042 GMT deputy Vitebskiy says that towns dependent on arms production are now left without a budget. A second deputy says that the main aim of the law is to tell the people what will happen in the republic; he is angry because the report is not clear. The RSFSR is not a monolith, but none of the republics in it have seen the budget. Next a deputy asks how people will eat, be clothed, and be shod. He criticises Ryzhkov for various promises he made to teachers which have not been kept. What little money there is should go to those who need it, namely to educational needs he says.

The chairman proposes a vote on the report and its aspects. The report on the RSFSR Soviet of the Republic ends and is followed with an announcer saying that the Soviet of Nationalities discussed the federative system of the RSFSR.

Correspondent A. Ovcharov interviews (Natapov), chairman of a subcommittee, about the perceived disintegration of the RSFSR. The new draft RSFSR treaty, he says, will receive support among the autonomous entities—he mentions Tatarstan in particular. The present draft is the ninth in the series and is based on numerous proposals from the public, he says. Even so, problems still have to be resolved. The federation will have two kinds of subjects—national-state formations and administrative-territorial areas. No agreement has been reached on the ratification procedure. The continuing fragmentation of the RSFSR is not in the republic's interests, (Natapov) says, but no proper assessment has yet been given. The treaty must be finalized as soon as possible.

The report ends at 2100 GMT.

Action Program-90 Examined

LD2010144190 Moscow World Service in Russian 1030 GMT 20 Oct 90

[INTERFAX report; from the "Soviet Chronicle" feature of the "Soviet Union Day by Day" program]

[Text] Hearings have been held at the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet on articles in the PRAVDA and SOVETSKAYA ROSSIYA newspapers which alleged that a coup d'etat was being prepared by the democrats.

As is well known, the so called Action Program-90, by a virtually unknown organization, Russian Democratic Forum [Rossiyskiy Demokraticheskiy Forum], served as a pretext for a series of articles on the conspiracy of the democrats in the central and local press. At the end of August, this program was promptly sent to the CPSU Central Committee Department for Relations with Public Organizations and to oblast committees for information and use in their work. In the articles this program—which calls in particular for the setting up of parallel structures of power, for the seizure of land, and other strong-arm actions—was linked to the intentions of the Democratic Russia broad movement.

From those invited to the hearing, only the leaders of the organizations which have presumed relation to the Russian Democratic Forum came. Frolov, editor in chief of PRAVDA, and Kuptsov, head of the CPSU Central Committee Department for Relations with Public Organizations, sent low-ranking representatives in their stead. TASS observer (Petrunya), author of the controversial article in the PRAVDA newspaper, and Chikin, editor in chief of SOVETSKAYA ROSSIYA, did not even send their representatives, thus openly displaying their disrespect for the commission.

The purpose of holding the hearing was the clarification of three questions: whether the USSR and RSFSR people's deputies had any relation to the Action Program 90; what is the true face of the Russian Democratic Forum; and who stands to gain from combining in the public mind Action Program 90 and the activities of people's deputies.

The commission managed to establish unambiguously that none of the USSR or RSFSR people's deputies had any connection with the elaboration of the Action Program 90, its adoption, distribution, or publication. This was confirmed by (Skurlatov), one of the leaders of the Russian Democratic Forum. He also rejected assertions by KGB ex-Colonel Kalugin, expert of the parliamentary commission and USSR people's deputy, and the testimony by Ivanov, member of the Russian People's Front, about his past or present connections with the KGB. The people's deputies' noninvolvement with the Action Program 90 was also confirmed by (Ubozhko), ex-chairman of the Democratic Party and now chairman of the Conservative Party.

The representatives of PRAVDA and the CPSU Central Committee have assured the commission of the absence of any malicious intent in the activities of their organizations. According to the representative of PRAVDA, the newspaper is publishing the most varied materials in a spirit of pluralism of opinions and sees no need to check whether TASS observer (Petrunya's) article accords with the facts.

The representative of the CPSU Central Committee department has assured that the information with documents of various public organizations is being sent to oblast committees almost daily, and the Action Program 90 is no exception. He placed the responsibility for publishing it in the local and party press on the oblast committees and the newspapers' editorial boards.

The parliamentary commission will draw its final conclusion in the near future.

RSFSR Legislature Discusses 1991 Budget

LD1910163190 Moscow Domestic Service in Russian 0900 GMT 19 Oct 90

[Text] Today the houses of the Russian legislature are holding separate sittings. A draft law of the Russian Soviet Federated Socialist Republic [RSFSR] on preparing the republic's budget for 1991 is being discussed at the Soviet of the Republic. The Republican Council of Ministers prepared the draft, the commissions and committees have been working on it, and Yegor Nikolayevich Lazarev [name as heard], RSFSR first deputy minister of finance, presented it to the deputies today. It is clear that this piece of legislation has to be adopted as soon as possible, as it is precisely that very law that will determine the procedure for the republican budget's preparation.

What can be said about the features of this budget? First of all it puts into effect a number of important clauses from the Russian sovereignty declaration. It declares the RSFSR budget's independence of the Union budget and independence of the budgets of the republics inside Russia in relation to the Russian budget. There is something else. How did we use to prepare the budget? We would calculate our expenditure first and take it from there. Now it is supposed that we will prepare the budget in accordance with our income. Therefore, we may start to live according to our income and this may force us to think of increasing this income. Besides, it is considered expedient to set the maximum volume of the republican budget deficit within the limits of 5 percent of forecast income.

Certainly a question arises at once about the correspondence of the document on the Russian budget to those main directions which have now been adopted in the Kremlin. Thus, in the view of the RSFSR Ministry of Finance, there is correspondence on fundamental issues. As to the questions asked by the deputies, a considerable proportion of them concerned the issue of financing science, education, and culture. The answer is as follows: The deputies themselves will have to decide how the budget is to be spent and for what purposes. Hence, it can be seen how great is the responsibility of the Russian Parliament for the future of our Russian federation.

This was the story of what is happening in the Soviet of the Republic. The Soviet of Nationalities is examining a draft federal treaty which will be covered in our following news bulletins.

Silayev Discusses Aspects of Economic Program

Program Must Be Analyzed

LD1910201390 Moscow TASS in English 1946 GMT 19 Oct 90

[By TASS parliamentary correspondents Lev Aksenov, Yuriy Kozmin, and Pavel Ostrov]

[Text] Moscow October 19 TASS—The Soviet Parliament's approval of President Mikhail Gorbachev's blueprint for the transition to a market economy "will have to be seriously analysed," Russian Prime Minister Ivan Silayev told a briefing here today.

In reply to a TASS question, Silayev said: "We are proponents of the '500-day' programme, adopted by the Russian Parliament, and intend to put it into effect on November 1".

He expressed the view that some elements of the programme, in particular, measures to stabilise the rouble, effective in the first 100 days, cannot be implemented now.

"At the same time, our programme has blocks which no one will be able to prevent us from implementing," Silayev said, adding that he meant privatisation and social policy.

"We also continue to support private ownership of land although the Union Government is opposed to it and the Soviet president himself displayed some vacillation on the issue."

Silayev said the diverse forms of property held out much promise for the agrarian sector. There can exist state and collective farms, if they are not loss-making, but farms must develop in parallel.

The premier stressed that the republic government "is against the referendum on the question of private property on land" because several generations of people lived under the collective farm system, which, although depersonalizing the peasant, ensure the subsistence minimum.

Silayev also pointed out that he was opposed to the provision of the president's programme on the centre's monopoly on foreign economic activity.

Having told the journalists that he met members of the parliamentary agrarian committee, Silayev said they discussed preparations for the extraordinary Congress of People's Deputies of Russia in November that will focus on ways to revive the Russian village.

Committee members, Silayev said, "believe that we cannot escape private ownership of land".

At the end of the briefing, journalists congratulated Silayev on his 60th birthday anniversary, due on October 21.

Cited on Farm Incentives

PM2110213590 Moscow SOVETSKAYA ROSSIYA in Russian 20 Oct 90 Second Edition p 1

[TASS report: "Concern for Countryside"]

[Text] Moscow—No administrative measures will make the peasant give the state more grain, meat, milk, or other products. That is why Russian Government strategy on the agrarian question will be based on economic incentives for labor. I.S. Silayev announced this 19 October during a meeting with RSFSR [Russian Soviet Federated Socialist Republic] people's deputies.

Supplying the countryside with imported consumer goods in return for foodstuffs, for instance, is what is meant by incentives.

The gathering voiced concern at the unsatisfactory pace of grain procurement and the state of affairs in poultry farming.

The chairman of the RSFSR Council of Ministers acquainted the gathering with the steps being outlined to stabilize the situation in agriculture during the transition to the market economy.

Addresses Young Businessmen

PM1910132290 Moscow SOVETSKAYA ROSSIYA in Russian 16 Oct 90 Second Edition p 2

[TASS report: "Chance for Young People"]

[Text] Moscow, 15 Oct—How can one help young business, how can it help the government—these were the questions on which participants in today's conference at the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers, chaired by I.S. Silayev, centered their attention.

Some 25 entrepreneurs from various parts of Russia voiced their concern over the future of millions of young people in conditions of the transition to the market. In their opinion, the awakening of young enterprise promises confidence in the future if it is backed by the government. Activity in this direction today has already made it possible to create 100,000 jobs, but far more jobs of this kind are required.

The attitude toward young people's business activity has improved, but changes are very slow, it was noted at the conference, and the center pays insufficient attention to the problem.

Russia has an acute need of tens of thousands of skilled enterprising organizers of production. Small enterprises ready for privatization may provide the republic with them. During the conference the need to establish private ownership was confirmed on several occasions. The gathering was unanimous on this issue. They also advocated giving young businessmen greater independence, in particular as regards the possibility of obtaining licenses from oblast soviets rather than pestering Moscow offices. Business people also complained about the absence of a legal base.

Managers are concerned about high taxes. Most enterprises now have to choose between charity and profitability. For instance, the "Impuls" creative association in Kaliningrad near Moscow, which transferred 1 million rubles [R] last year to social programs, will be less generous this year—taxes of R750,000 are hampering it.

In this connection the meeting's participants asked the chairman of the RSFSR Council of Ministers to pursue a more flexible tax policy with regard to young enterprises and seek an opportunity to return some of the money which they contribute to the state budget to develop this movement and set up an aid fund for it.

Summing up the results of the conference, I.S. Silayev promised backing for many of the constructive proposals voiced at the meeting and welcomed young businessmen's desire to cooperate more actively with the government.

Russian Communist Party Guidelines Published

PM1910122390 Moscow SOVETSKAYA ROSSIYA in Russian 19 Oct 90 Second Edition p 3

["Basic Guidelines for the Activity of the RSFSR Communist Party"—SOVETSKAYA ROSSIYA headline]

[Text] The RSFSR [Russian Soviet Federated Socialist Republic] Communist Party is launching its activity in a period when perestroyka has come up against serious difficulties. Our Union socialist state has found itself in a deep crisis which threatens the very foundations of its

existence. Uncertainty, fear of the future, and trepidation about the welfare of our families and our children's future are mounting in society. Soviet people are perturbed by the acute antagonism between political forces, which is reaching the point of hatred and extreme forms of intolerance, and by the rampaging of nationalist passions and crime and the decline in morals.

The Communists and many Russians link their hopes with the RSFSR Communist Party and see in it a mass-based sociopolitical organization capable of resolving many urgent problems. We do not have the right to betray their expectations. The republican party organization is fully determined to really become a political force which expresses and defends the working people's interests and asserts socialist ideals and general human values. It is open to all citizens of the republic who want to actively promote the implementation of socialist choice and the progress of our Fatherland.

As a component of the CPSU, the RSFSR Communist Party is guided by the decisions of the 28th CPSU Congress, the Statutes, and the Program Statement "on a humane, democratic socialism." At the same time it is independent in determining its stance and tactics.

Under the conditions which have taken shape, the republic's Communists are setting as their priority task the rallying of all progressive, patriotic forces to lead society out of the crisis and to effect a qualitative renewal of its socioeconomic, political, and ideological and moral structures and institutions on the basis of the ideas of perestroyka.

For Civil Peace and National Consensus

The main thing is to halt the country's slide toward catastrophe and to stabilize the sociopolitical situation. This must not be done in order to move backward later. There is no return to the past. We must **direct revolutionary perestroyka into the channel of creation and unite all truly democratic forces for the purpose.**

Proceeding from this premise, the RSFSR Communist Party will do everything to support and develop the processes of the democratization of mutual relations between the peoples and national-state formations of the RSFSR and to seek optimum new forms for them; to actively promote the elimination of negative accumulations of this past, and on this basis to promote the conservation of the integrity of the USSR as a multinational state; and to advocate a comprehensive voluntary community of all the country's nationalities. **Only in a united and renewed Union will we be strong, free, and sovereign.**

We must actively help the soviets of people's deputies in implementing the powers of the sovereignty of the people and in resolving topical problems of social development in the working people's interests and help them in implementing progressive programs.

We must promote the development of worker and peasant movements and take part with them in implementing working people's rights and social interests, and seeking and organizing new socioproduction forms capable of ensuring the working people's effective social protection.

In conjunction with the Russian Komsomol [Communist Youth League], which is its ally and equal political partner, and with other youth organizations of socialist and democratic orientation, the Communist Party will implement a policy aimed at resolving young people's problems, asserting economic and political independence, and ensuring the protection and implementation of equal opportunities for all social groups of young people. Without a morally healthy and physically strong younger generation the country has no future.

We must promote the active development of the women's movement, the raising of women's social role in the life of society, and their broad representation in state and public organs. We must promote the implementation of a state program for improving the position of women and the family and the protection of mother and child. We must create commissions for work with women in the party committees.

We must pool the efforts of the public in defense of the interests, honor, and dignity of war and labor veterans and be concerned to create favorable living conditions for them. Attempts to restrict their rights and to introduce discriminatory measures for pensions and other social security are intolerable. A civilized society is inconceivable without respect for old age.

We must promote perestroyka in the Armed Forces and law enforcement organs as well as the solution of the problems which exist there, and we must come out in defense of the social rights and dignity of servicemen and workers who are fulfilling their duty in safeguarding state security and combatting crime. The RSFSR Communist Party will always render them broad support.

We must take an active part in public ecological movements and initiatives for the sensible utilization and restoration of the natural resources of the RSFSR, and we must oppose the manifestation of localistic tendencies in the solution of these problems and seek personal liability of workers guilty of destroying natural resources, polluting the air and water, and depleting the soil.

We must insist on the adoption of urgent and all-embracing measures aimed at protecting the life, civil rights, and property of representatives of the RSFSR peoples living in zones of interethnic conflicts in other Union republics or in the position of refugees, and we must seek compensation for the losses they have incurred. We will not abandon in misfortune those for whom Russia is the historical motherland.

While retaining the positions of a materialist world outlook, we must support the peacemaking, charitable, and cultural and enlightenment activity of religious

organizations and perform joint work to overcome the deficit of morality and humanity.

We must set up constructive ties with compatriots abroad interested in the country's socialist renewal, inviting them to take part in the processes of the perestroyka which is being implemented in the RSFSR.

The Communists suggest to all political parties, movements, and organizations that they examine together questions of ways of achieving civil consensus and the stabilization of the state of affairs in the republic and the country, that they form a Union of democratic forces in support of perestroyka and our historical values, and that they jointly counter demagoguery and rabble-rousing and the fuelling of distrust and hatred among peoples.

Toward a Fundamental Renewal of Economic, Social, and Political Relations

We must consistently implement the decisions of the 28th CPSU Congress on the transition to market relations within the framework of socialist choice, and on the formation of an effective economic structure which ensures legislative equality and competitiveness for all forms of ownership and economic management, excluding man's exploitation of man.

We see the point of the transition to the market in the emancipation of people's initiative and business activity, in the raising of social labor productivity on this basis, and in the creation of conditions whereby every citizen will be able through honest labor to ensure for himself and his family an adequate standard and quality of life.

The main task for the immediate future is to promote by every means the stabilization of the economic situation. We must take an active part in the implementation of measures aimed at restoring economic ties; observing contract discipline; improving the population's food supply; introducing order in trade and transport; and increasing responsibility for thriftlessness, disruptions, and abuses.

The Communists are called on to take a vigorous part in work for the improvement of the situation in the consumer market and for economic recovery on the basis of the restoration of normal financial dealings and an effective anti-inflation policy.

We must seek the adoption of resolute measures to strengthen law and order and organize the population's legal education. This must be regarded as a very important matter for all the republic's party organizations.

The RSFSR Communist Party supports a course toward a mixed economy and diverse forms of the destatization of ownership, giving priority to its collective forms. It recommends that the party organizations in conjunction with the trade unions and labor collective councils actively assist the working people in choosing the form of ownership which best accords with their interests and in organizing the method of economic management natural to it. The property of state enterprises must be handed over to the ownership of the labor collectives without a buy-out.

The question of ownership of the land and other means of production should be resolved on the basis of a nationwide referendum.

The RSFSR Communist Party will oppose the selling off of land and its transfer to private ownership, and defend the peasants' exclusive right to determine forms of economic management and to dispose of the results of their labor and the need to create equal economic opportunities for kolkhozes [collective farms], sovkhozes [state farms], peasant and individual farms, and their cooperatives and associations.

For the successful solution of the tasks of the fundamental renewal of economic relations the RSFSR promotes:

—the development of the country's national economic complex and the formation of a single Union market;

—the real economic independence of the RSFSR and its territorial and national-territorial formations and the establishment of self-management at all levels in accordance with the law;

—the formation of an effective and flexible mechanism of state management providing for legal, economic, and financial-credit regulators; and the active use of the planning of the economic development of the republic and each of its regions. We must pay more attention to the social transformation of the countryside and to all-around help for it from the city labor collectives on the basis of mutually advantageous relations. It should be deemed expedient to create a republican fund for equalizing the regions' economic and social development.

The Communist Party will promote the broad participation of the RSFSR economy in the international division and sharing of labor, its involvement in the world market, the development of direct foreign economic ties between enterprises, and the formation of open economic zones while ensuring guarantees for the national interests of the republic and its population.

The RSFSR Communist Party will persistently advocate the assertion of social justice for all categories of working people—especially the most mass-based groups of workers, peasants, and the intelligentsia—and advocate the consistent implementation of the interests of the poorly protected strata of the population; the creation of new spheres of employment; and the implementation of broad programs for training, retraining, and finding jobs for workers who are laid off.

The party committees and primary organization:

—will act as the initiators in creating conditions for a healthy way of life; in providing access to medical

care; instituting health funds; and developing preventive medicine, physical culture and sport, and all forms of leisure for working people;

—will promote the buildup of housing construction by redistributing budget resources and the enlistment of the funds of enterprises and public organizations and the population's personal savings; promote the elaboration and implementation of special programs to provide housing for the badly-off strata of society, for families with many children, for servicemen, teachers, doctors, scientific and cultural workers, and victims of the Chernobyl accident; promote the retargeting of industrial construction materials and the construction industry to these purposes;

—will start to seek the adoption and unconditional fulfillment of a state program for the social protection of citizens released into the reserve during the reduction of the Armed Forces and for workers laid off in the course of the conversion of defense sectors.

The Communist Party will come out with a legislative initiative for the reform of the electoral system with consideration for the multiparty system and the need to expand representation in the soviets of people's deputies from the labor collectives and all strata of the population, guaranteeing its truly nationwide nature. It is prepared to conclude agreements and to enter into election blocs with other forces of socialist and democratic orientation.

We must seek on a democratic basis the expansion of Communists' representation in soviets of all levels.

The Communists will support the creation of and will join deputies groups and factions which consolidate constructive forces in order to:

—come out with legislative and other initiatives, elaborate concepts and draft decisions, and organize their mass discussion;

—carry out expert analyses and assessments of drafts and programs submitted by other parties and public movements and support those which are in accord with the people's needs;

—oppose the adoption of decisions which encroach on the working people's interests.

The party organizations retain the right to carry out actions and campaigns of protest; to initiate the process of the recall of individual deputies, including CPSU members who have failed to justify voters' trust; and to demand the resignation of officials and executive organs right up to the dissolution of the relevant soviet and the scheduling of new elections. In soviets where Communists are in the minority they will start to perform the role of a constructive opposition.

We must promote the development and consolidation of labor collective councils, workers committees, local self-management councils, voters' clubs and associations, and other forms of the power of the people which arise at the working people's initiative.

We must resolutely oppose any forms of people's persecution for their views, convictions, and party and national allegiance. The party will come out with an initiative for elaborating a concept of rights protection in the republic and the creation of a human rights center. We are in favor of genuine collectivism, mutual aid, decency, and compassion in people's relations.

The RSFSR Communists are in favor of the sovereignty of the RSFSR as an inalienable part of the Soviet Union and the speediest conclusion of a new Union and republican treaties on whose basis each people would be able independently to choose the form of their own statehood.

The RSFSR Communist Party comes out in support of the rights of all national-territorial formations and peoples which do not have their own statehood and in support of their representation in the republic's supreme organs of power. It suggests elaborating an all-republican program of measures to defend the legitimate interests of small peoples.

Toward a Spiritually Rich Society

With a view to the all-around uncovering of the spiritual potential of the republic's peoples and of each of its citizens, the RSFSR Communist Party defines the following priority avenues for the Communists' activity in the sphere of education, science, and culture:

—the democratization of national education, the consolidation of its link with the sources and traditions of the multinational culture of the republic's peoples, the safeguarding of its continuous development to the level of the best world standards, the assertion of the independence of and the broad use of various types of educational establishments, and the development of the national school and creative initiative in pedagogical science and practice;

—the all-around support of the freedom of scientific activity, its defense against any forms of diktat, the protection of copyright and intellectual property, and reliance on expert scientific analysis in taking political and managerial decisions. The restoration of the Russian Academy of Sciences as a center which develops the theoretical foundations for the strategy of the RSFSR's development and which ensures the integration of academy, higher education establishment, and sectorial science, and the fundamental improvement of international scientific and technical and humanitarian ties;

—the resurrection and development of the traditions of a unique multinational culture, the people's creativity, and folk art and the conservation and restoration of the historical and cultural monuments of the RSFSR peoples. The development of book publishing and libraries, the expansion of the network of museums,

the organization of the regional studies movement as the basis of patriotic education, the elimination of the artificial division of cultural and creative activity into the activity of the capital and of the provinces, and assistance in the creation of equal opportunities in mastering the wealth of culture;

—the elaboration and implementation of programs for the resurrection of small towns and villages and the buildup of the cultural potential of the regions, primarily the non-Chernozem, the North, Siberia, and the Far East. The creation of centers and societies for the spiritual mutual enrichment of the peoples inhabiting the RSFSR. A solicitous attitude toward the culture, language, and daily life of the minority peoples of the RSFSR;

—the improvement of working and daily living conditions for teachers, cultural workers, and scientists, and the elaboration and introduction of a system of emergency measures reliably ensuring their social protection under the conditions of the activation of market processes.

We must defend freedom of creation and a solicitous attitude toward talent. We must conduct a purposeful search for talented young people and create conditions for the development of their abilities and full use for the benefit of the Fatherland.

The RSFSR Communist Party resolutely opposes the commercialization of culture and all forms of spiritual life; considers it unacceptable to reduce appropriations for education, science, and culture; and will seek their priority financing from republican and local budgets with the use of the funds of enterprises and cooperatives and the creation of public charitable and other foundations.

For the Party's Democratization

The RSFSR Communist Party will strengthen the people's trust in it if it acquires a political and spiritual and moral complexion which accords with the times; if it ensures the power of the party masses and openness and democracy; and if it is able to resolve the specific tasks facing it in connection with the satisfaction of each workers' vital needs.

The activity of the RSFSR Communist Party will be built on the basis of glasnost and will rely on the conclusions and achievements of science and progressive world culture and the humanitarian values, national-cultural traditions, and spiritual interests of the masses.

The most important factors in the democratization of intraparty life will be:

—the expansion of the rights and the enhancement of the independence and political activeness of primary party organizations, the consolidation of party comradeship, freedom of opinion and criticism, and the development of social principles in party work;

—constant concern for the continuity of generations and for party veterans;

—the ensuring of the influx into the party of new people and young people who share the ideas of socialism;

—the purging of party ranks of those who compromise the party by their actions and who in fact have switched to ideological positions alien to it;

—purposeful cadre work and the training of a reserve of the worthiest Communists and nonparty people capable of thinking and acting in a new, competent, and vigorous way to be recommended to the organs of state power and management.

We must use the opportunities provided by the USSR Law "on social associations" and also the mass media in defense of both Communists and representatives of other movements and organizations against all forms of injustice and discrimination for their beliefs.

The Communists must retain their influence and enhance their prestige in the labor collectives. At the same time it is necessary to strengthen substantially organizations at people's places of residence. Territorial cells will take part in the work of local self-management and in the implementation of social and ecological measures. During the election struggle agitation will be conducted through them for the Communist candidates. We must create in these organizations independent formations, sociopolitical clubs, and other associations attractive to the population and combining opportunities for social creativity, propaganda work, informal communication, and well-spent leisure.

We ought to enhance the status and expand the rights and autonomy of party committees in the RSFSR's national-territorial formations. We must organize close and constant collaboration with Union republic Communist Parties in the elaboration of joint programs and the establishment of exchanges of work experience. Manifesting the international essence of its organization, the RSFSR Communist Party will express solidarity and will render support to Communists and citizens of other republics subjected to moral pressure and discrimination.

With a view to carrying out advance work on planned decisions, we must conduct all-party debates and referendums on the most important social and political questions and problems, and create an All-Russia Council of Primary Party Organization Secretaries under the RSFSR Communist Party Central Committee.

The renewed and autonomous party control organs must become an efficient instrument of power by the party masses. Party control will become a reliable means against flawed manifestations of personality cult, abuses of office, toadying, adulation, disparity between words and deeds, bureaucratism, group mentality, and dual moral standards.

Communists do not claim a monopoly of their ideology, but they do deem it necessary to do everything possible to facilitate man's conscious choice of a world philosophical standpoint and his assimilation of the wealth of socialist thinking and the communist ideal. We must organize clubs, lectures, and courses open to all who desire to attend. We must utilize the party's institutions to provide the utmost return for Communists and the population and for the opening of social life centers accessible to all. All means of ideological influence must be subordinated to the explanation of the need for economic reform and the overcoming of prejudices against the market. We must suggest to any interested state and social organizations the joint creation of information and consultation centers for the propaganda of new approaches toward the solution of economic and social problems.

We must develop and strengthen the party's scientific research and education establishments and the system for study of public opinion. We must set up a political scientific research and teaching center under the RSFSR Central Committee. We must institute an RSFSR Communist Party Central Committee fund to finance long-term research in the sphere of the theory of social development, the history of political thought, and the creative analysis of the USSR's and the Communist Party's historical experience.

The RSFSR Communist Party will use political methods to counter the swelling wave of anticommunism and the attempts to discredit V.I. Lenin's name and work and October's great historical gains.

In accordance with the USSR Law on the Press, and having undertaken a founder's responsibilities, we must create our own mass media—publishing houses, newspapers, and journals, including media for children and young people—and will assist the publication of regional, city, rayon, and in-house newspapers. We must organize a television and radio service for party committees. We must open press centers and press groups under the RSFSR Communist Party Central Committee and under local party committees, as well as whenever possible party news agencies in major industrial and scientific centers. Mutual relations between party committees and party press organs must be built on the principles of close cooperation, trust, and comradeship.

We must encourage the creation of joint publishing and printing enterprises and joint stock corporations, and the joint founding of printed publications with local soviets, labor collectives, and social organizations and movements sharing the party's program aspirations.

We advocate honest and full coverage of the RSFSR Communist Party's activity by all mass media and **the development of glasnost as a means to assert truth, attain civic and national accord, strengthen responsibility, and boost the prestige of conscientious labor.**

Communists deem it necessary to have a public stocktaking of party property, to strictly separate it from state property, and to solve all legal questions arising in this context on the basis of adopted laws. The RSFSR Communist Party's material base will be utilized for charitable purposes, including assistance to victims of Stalin's repressions, war and labor invalids, internationalist soldiers, and the victims of the Chernobyl disaster. The RSFSR Communist Party Central Committee will set up special funds, prizes, and stipends encouraging the development of culture, art, and science in the republic, as well as a fund to assist party veterans living on low incomes.

The RSFSR Communist Party will engage in a broad dialogue with foreign communist, socialist, social-democratic, and other parties and movements so as to help create abroad an objective image of the RSFSR peoples, their history, their culture, and their past, present, and future problems.

Comrade Communists!

Now is the time for active work.

Our goal is to ensure the country's socialist future, a dignified life for the Russian Federation's peoples, and their spiritual development on the basis of assertion of social justice and genuine people's rule.

The RSFSR Communist Party calls on Communists to spare no energy in daily constructive work! We call on all who hold dear our fatherland and the prosperous life of present and future generations in a free and democratic society to join in building it with total dedication.

This document is addressed to party organizations at all levels so that they may lay down specific guidelines and plans for their work, taking local conditions and working people's interests into account, and will remain in force until the next congress.

Melnikov on How To Maintain Communists 'Prestige'

PM2210100190 Moscow SOVETSKAYA ROSSIYA in Russian 21 Oct 90 First Edition p 1

[Report by inidentified TASS correspondent: "Real Deeds Are Needed"]

[Text] Syktyvkar—Communists' prestige now depends on the extent to which they will start actively participating in solving the people's urgent problems, defending working people, and transforming ideas into specific deeds. The tasks of Russia's Communist Party and the role and potential of primary party organizations in this work were discussed at meetings held by A.G. Melnikov, member of the Politburo and secretary of the RSFSR [Russian Soviet Federated Socialist Republic] Communist Party Central Committee, at the Syktyvkar timber industry complex, the "Sever" Furniture Association, the USSR Academy of Sciences Komi Scientific Center, Ukhta's enterprises and organizations, and with these cities' party aktivs.

A.G. Melnikov emphasized in a conversation with a TASS correspondent that such a keen dialogue, constant recirpocal contacts with Russian Communists and their organizations and committees, and joint creative work make up the principled stance which the RSFSR Communist Party's leadership intends to consistently take.

The Central Committee secretary addressed the Komi ASSR [Autonomous Soviet Socialist Republic] party organization's report and election conference which ended yesterday [20 October]. The conference's first stage was held in June. Its second stage began by amending the status of the Komi Oblast CPSU organization. It was transformed into a republican organization of the RSFSR Communist Party. The structure of the party organization's leadership and executive organs was also amended. The conference adopted an action program and a resolution on a series of questions of sociopolitical and intraparty life.

A.V. Batmanov, hitherto chairman of the Komi ASSR People's Control Committee, was elected first secretary of the RSFSR Communist Party Komi Republic Committee on a multicandidate basis.

Communists Criticize Russian Federation Party

LD1910164990 Moscow World Service in Russian 1040 GMT 19 Oct 90

[From the "Soviet Chronicle" feature of the "Soviet Union Day by Day" program; report attributed to INTERFAX]

[Text] Communists on the popular Moscow Radio program "Mayak" are continuing their fight against the Communist Party of the Russian Federation headed by Ivan Polozkov. At a party meeting they confirmed their renunciation of membership of the party; accordingly transfer of party dues is frozen. The "Mayak" Communists supported the idea of an all-Moscow party referendum on the issue of the Russian Communist Party. In connection with this, the resolution expresses political distrust of Yuriy Prokofyev, first secretary of the Moscow Party City Committee, for his inconsistency and his sharp change in standpoint in relation to the Communist Party of the Russian Federation and its leadership. There was talk at the meeting of the need to transfer individual communists to the books of those organizations which do not recognize the Communist Party of the Russian Federation. The "Mayak" delegation has been instructed to attempt to get similar decisions adopted by the party conference of USSR Gosteleradio.

Coverage of 'Democratic Russia' Founding Congress

Communists Ask to Attend Congress

LD1910131390 Moscow World Service in Russian 1040 GMT 19 Oct 90

[From the "Soviet Chronicle" feature of the "Soviet Union Day by Day" program]

[Text] The Russian Federation Communist Party Central Committee has issued a statement addressed to the organizers of the constituent congress of the Democratic Russia movement which opens in Moscow on 20 October. It contains the hope that representatives of the Russian Communist Party will be given the opportunity to take part in the work of the congress. Up to now, the document says, such an invitation has not been received, although representatives of many parties and organizations who are delegates to the congress of Democratic Russia took part in the work of the first and second stages of the Russian Communists' constituent congress. The statement also contains an appeal to all democratic forces of the republic for consolidation and joint activity with the aim of stabilizing the economy, introducing democratic transformations, and attaining civic concord.

Congress Opens 20 Oct

LD2010091190 Moscow Domestic Service in Russian 0700 GMT 20 Oct 90

[Text] The constituent congress of the Democratic Russia movement is beginning its work now in Moscow.

It is being attended by 1,700 delegates from 78 oblasts, krays, and autonomous republics in the Russian Soviet Federated Socialist Republic [RSFSR]. Among them are people's deputies from soviets of various levels and representatives of parties with a democratic tendency, national groups and strike committees.

Representatives of the RSFSR Communist Party have expressed a wish to particpate in the work of the congress.

The congress will be attended by guests from democratic movements in Poland, Hungary, Bulgaria, Czechoslovakia, and Germany.

It will adopt the rules and the program of the Democratic Russia movement and set up a cooridinating council to support the 500 days program.

The congress's main task is to unite and coordinate all democratic forces in Russia, its organizers say.

Congress Reported On

LD2010213890 Moscow Television Service in Russian 1800 GMT 20 Oct 90

[Editorial Report] Moscow Television Service in Russian at 1800 GMT on 20 October in its "Vremya" newscast carries a 3-minute report from the constituent

congress of the Democratic Russia Movement in Moscow. Correspondent Barkhatov reports that the tone of the debate on the possibility of consolidating forces on a nonparty basis was set by Nikolay Ilich Travkin, leader of the movement.

Travkin, addressing the congress from the rostrum, says: "I do not have the slightest doubt about the need for such an association. But what are you and I trying to unite today? To unite the existing political forces or to unite some kind of mythical forces? There are no existing ones. They are only just beginning to get on their feet in the form of parties, the Social Democrats. Platforms have been devised. There have been attempts to create parties—the Democratic Party of Russia, and so forth. Well, there are attempts to organize forces. Everything else existing before the parties arose are non-forces."

Correspondent Barkhatov says, "It should be noted that Comrade Travkin had more than enough opponents."

He then interviews O.G. Rumyantsev, who says that in view of the fact that nobody knows what should be done today or who is responsible for what, "We need a new government; not a coalition with those who are holding on so tenaciously to the socialist choice, but with those who realize that one cannot live this way."

Barkhatov then interviews congress participant A.N. Murashov, who says that the first step after the Democratic Russia Movement has been formed organizationally is to exchange information and coordinate actions with all democratic forces without any one body issuing orders.

Barkhatov notes in conclusion that the congress will approve its final documents on 21 October.

Government Resignation Demanded

LD2110192590 Moscow TASS in English 1858 GMT 21 Oct 90

[By TASS correspondents Lev Aksenov, Leonid Vorontsov, and Boris Zverev]

[Text] Moscow October 21 TASS—The constituent congress of the Democratic Russia Movement today set up a new public organisation in the Soviet Union's largest republic.

For two days, some 2,000 delegates, representing practically all regions of the Russian Federation and dozens of Union, republican and regional parties, movements and associations, discussed ways to consolidate democratic forces.

The Democratic Russia declared "non-violence, respect for human rights and dignity and unacceptability of racial, ethnic and class exclusiveness" the "moral basis" for its activities.

The new movement considers itself a force opposing the Soviet Communist Party. It aims to "fight against totalitarianism and parties searching for political monopoly" for the "creation of a social market economy through privatisation", the Congress' declaration reads.

The Democratic Russia intends to work by parliamentary methods and by organising mass manifestations.

The rules, adopted by the Congress, envisage a rather amorphous organisational structure of the movement. The Democratic Russia is a coalition. Separate citizens, parties, public organisations and movements can become movement members.

The Council of Representatives and the Coordination Council will be the movement's coordinating and consultative bodies. Nevertheless, the Congress failed to form any of the two. In the meantime, the Congress Organising Committee will continue work to form them.

Participants in the Congress adopted a number of resolutions. They demanded the resignation of the Soviet Government and supported the Russian plan for the transition to market relations.

Lysenko Discusses Activities

LD2110211590 Moscow Domestic Service in Russian 1730 GMT 21 Oct 90

[Interview with Vladimir Nikolayevich Lysenko, one of the leaders of the "Democratic Platform" of Democratic Russia, by station correspondent Kirill Shakhnovich on 21 October; place not specified—recorded]

[Text] [Lysenko] The supreme tribunal of the political parties will adopt recommendations and some suggestions by consensus. It will have sufficient authority for this to have effect on the situation in the country.

[Shakhnovich] And what will be the first steps of the bloc?

[Lysenko] It is a declaration of support for the 500 days program and a readiness by the bloc to involve itself in the realization of this program at the local level from 1 November. This bloc is now actively supporting the Russian Parliament's decree on government connected with the party affiliation of the KGB, the Interior Ministry, and law enforcement organs. This means it is necessary to finally abolish the CPSU monopoly of power in the enforcement organs. Besides, I think that there will now be an active inflow of ordinary citizens from the republic into the new movement. Unfortunately, we have some sort of a dyarchy there—from the one side the Russian Parliament suggests reforms, and from the other side the Union's center is constantly blocking them.

[Shakhnovich] Do you think that this democratic movement-bloc might be similarly blocked as the Supreme Soviet is blocked by the decree action, and as the main thing that this new bloc does not have connections with government structures apart from the deputies in the parliament.

[Lysenko] If we cannot begin to govern the republic today, even the 500 days reform will be simply left pending and will remain as a document which nobody will be able to implement at the local level. So now I agree, there is a need for strengthening the executive power under democratic control in order to bring this reform to life. If we feed the country and Democratic Russia actively participates in this then in the future people will actively support this movement.

[Shakhnovich] You look toward tomorrow with optimism?

[Lysenko] I look with optimism, but at the same time the situation is of course very uneasy at the moment. I sometimes feel that during the next few months everything indeed should be resolved—either we are really moving toward a market economy and becoming a civilized country, or we are returning to the situation before 1985 with martial law and emergency measures. This will put our republic back several more years, and the situation will become simply catastrophic.

'Communists of Russia' Congress Ends in Leningrad

LD2110164190 Moscow TASS International Service in Russian 1530 GMT 21 Oct 90

[Text] Leningrad, 21 Oct (TASS)—The third stage of the initiative congress of the Communists of Russia—the "orthodox" wing of the Communist Party which advocates communism's undimmed ideals as the sole remedy for all of the ills of today's Soviet society—finished its work here. This stage was devoted to a political appraisal of the results of the 28th CPSU Congress and the founding congress of the RSFSR [Russian Soviet Federated Socialist Republic] Communist Party.

Five hundred people gathered at the congress, representing in the words of the organizers "2 million Communists from the Russian Federation and delegates from more than 50 oblasts, krays, and autonomous republics".

As stated in the "initiative communist program of action" that delegates received, the goal is a revival of Russia. In the program, it is noted in particular that the "party—beseiged from outside and undermined from within—is falling apart. The only correct step in this situation is the promotion of a communist program of action as an initiative."

It was this document that was discussed by those assembled.

TASS correspondents were refused accreditation to the congress, although various documents were placed at their disposal.

In the evening, despite a cold rain and penetrating wind, congress delegates gathered in the square of the dictatorship of the proletariat. They took part in a rally "in defense of matters connected with Lenin, of the glorious name of the city, and of our socialist ideals". From the rostrum angry protests resounded against those who "are striving to slander socialism; dumping everything in one pile, both the good and the bad; sowing dissension among people of the various nationalities; and who are calling for confrontation."

'Democratic Platform of Russia' Party Founded

PM2210090490 Moscow KRASNAYA ZVEZDA in Russian 21 Oct 90 First Edition p 1

[Report by Colonel V. Usoltsev from Khabarovsk under the "Direct Line" rubric: "Yet Another Party"]

[Text] At the founding conference of the Democratic Platform of Russia, held in Khabarovsk, a decision was adopted to create a party of the same name. Yu. Strugov, leader of the new party, explained that the transformation of a political club based on the democratic platform into a political party on that same platform was prompted by the inability of the Social Democratic Party formed earlier in the kray center to become a powerful center of attraction for active, thinking people, and democratic forces.

The new party does not intend to base itself on any specific class, and will propagandize the idea of early elections to the soviets of all levels not later than 1992 in which it will itself play a most active part.

According to Strugov, his party will call on the people to show restraint, propagandize the market, and convey to the people's masses the whole truth about Russia's economic and political situation.

'Union of the Persecuted' Formed in Moscow

LD2010092290 Moscow Domestic Service in Russian 0700 GMT 20 Oct 90

[Text] A new public organization called the Union of the Persecuted in the USSR, [Soyuz Gonimykh USSR] has been registered by the Moscow Soviet. This Union has been organized by the so-called residents of the tent city in front of the Rossiya Hotel. They have united to render assistance to all people searching for justice.

Leningrad Soviet Appeals for RSFSR Solidarity

LD2010112590 Moscow Maritime Service in Russian 0715 gmt 20 Oct 90

[Excerpts] The second session of the Leningrad city soviet completed its work. [passage omitted]

Deputies voted for sessions to be held three to five days every month; thus the next session will start its work on 12 November.

An appeal to Russia's citizens was adopted on the last day of the work. The appeal shares completely the assessment of the situation in the republic given by Boris Nikolayevich Yeltsin, chairman of the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet, this week.

The program proposed by the Union government, the appeal says, leads the economy into chaos and decline of people's standard of living. Increasing sabotage by the Union ministries and departments in carrying out truly radical reform affects inhabitants of Leningrad themselves.

The smear campaign against the RSFSR parliament and democratic Soviets is developing simultaneously.

We appeal to Russia's citizens to show solidarity with the RSFSR Supreme Soviet and government. Leningraders are concerned about the future. A number of country's regions violate contractural obligations on food deliveries to the city. In such conditions, the Leningrad soviet is endeavoring to get the country out of the crisis. Issues of potato and meat purchases have been partly resolved. Licenses to sell all items—subject to quotas—and scrap metal to buy food—for money earned from the sale—have been acquired.

We are being assured that a winter of starvation is not in store for us.

Kaliningrad Oblast Declares 'Special Status'

PM1910123190 Moscow KRASNAYA ZVEZDA in Russian 17 Oct 90 First Edition p 3

[Report by KRASNAYA ZVEZDA correspondent Captain Second Rank V. Gromak under the "Direct Line" rubric: "Extraordinary Soviet Session"]

[Text] Kaliningrad—The third (extraordinary) oblast soviet session has been held in Kaliningrad. It examined highly important questions linked with the oblast's life and activity—the oblast's special political and economic status, conditions for the oblast's functioning in 1991, and additional steps to protect the Kaliningrad Oblast market and step up the fight against speculation.

What has made it necessary to urgently examine these questions? Oblast Soviet Chairman Yu. Semenov explained that Kaliningrad Oblast's interests were not defended either politically or economically during the drafting of treaties between the USSR and Lithuania, and for that reason the oblast soviet—by virtue of the oblast's special geographical and economic situation and in the light of the development of events in the country and the Baltic—must take steps to defend its sovereignty itself.

As is well known, while being an inalienable part of USSR territory, Kaliningrad Oblast is completely cut off from it by two Union republics—Lithuania and Belorussia. At the same time 50 percent of the oblast's main economic ties are centered around the RSFSR [Russian Soviet Federated Socialist Republic]. However, these traditional ties have been complicated under current conditions as a result of the Lithuanian and Belorussian declarations of state sovereignty and are hard to regulate via the center. Life itself necessitated an immediate decision on the special status of Kaliningrad Oblast. The session adopted the relevant document.

Deputies said that a local territorial program for the transition to the market should be elaborated, envisaging the further development of enterprises' traditional ties with the industrial centers of Russia and Lithuania while preserving reciprocal deliveries with other union republics. At the same time it has been deemed advisable to take urgent steps to advance the dates for the construction of the oblast's own power-generation, oil-refining, and construction material facilities and a number of other measures in order to reinforce the oblast's economic independence.

Proclaims Free Enterprise Zone

LD2210043390 Moscow in English to North America 2300 GMT 21 Oct 90

[Text] The city of Kaliningrad—formerly Konigsberg—as well as several other Soviet cities, has been proclaimed a free enterprise zone. Labor staffs intend to own the city's three major hotels and turn them into joint ventures with foreign firms. This will be the city's first step to a market economy and private ownership of presently state-owned property. Free zones are to enable the country to find the optimal models for the rest of the territory.

Arkhangelsk Declares Itself Nuclear-Free Zone

LD2210115790 Moscow TASS International Service in Russian 1131 GMT 22 Oct 90

[Report by TASS correspondent Vladimir Anufriyev]

[Text] Arkhangelsk, 22 Oct (TASS)—The White Sea port city of Arkhangelsk has been declared a nuclear-free zone within the city limits by a decision of the city soviet, an elected local government body.

All enterprises, organizations, and citizens—both of the USSR and of foreign states—are henceforth prohibited from manufacturing, importing, transporting, or siting within the city any items or materials in which radioactive elements are used without the consent of the city soviet of people's deputies. All existing sources of radioactive radiation must be registered before the end of the year with the city's environmental protection commission, which has been given supervisory functions and the right to take harsh measures, up to and including the closure of enterprises infringing Arkhangelsk's nuclear-free status.

Astrakhan Oblast Elects First Secretary

LD2010161490 Moscow Domestic Service in Russian 1400 GMT 20 Oct 90

[Text] An organizational question is being tackled at the plenum of the Astrakhan Oblast CPSU Committee. As a result of a secret ballot, (Gorbunov), member of the Russian Soviet Federated Socialist Republic [RSFSR]

Central Committee and RSFSR people's deputy, who had been working as a second secretary of the oblast committee, has been elected oblast committee first secretary.

Koryak Autonomous Republic Proclaimed

LD1910214790 Moscow Television Service in Russian 1530 GMT 19 Oct 90

[From the "Vremya" newscast]

[Text] And now information which we have received from the teletypes of the recently set-up SIBINFORM NEWS AGENCY. Its correspondents report that just 34 votes cast in favor have turned out to be sufficient for the okrug soviet to proclaim the creation of the Koryak Autonomous Republic. A result of this decision will be tearing away two-thirds of its area from Kamchatka Oblast. However, the final fate of the 40,000-strong population, of which a quarter is made up of representatives of the native ethnic group, must be determined by the Russian Soviet Federated Socialist Republic Supreme Soviet.

Mordovian Chairman Resigns Without Censure

PM1910162590 Moscow IZVESTIYA in Russian 19 Oct 90 Union Edition p 2

[Report by correspondent Valentin Razboynikov under the "Direct Line" rubric: "New Chairman"]

[Text] Saransk—A new chairman of the Mordovian ASSR [Autonomous Soviet Socialist Republic] parliament has been elected at a republic Supreme Soviet session. The new incumbent is the former deputy chairman, N. Biryukov.

A statement by A. Berezin was first read out: "I ask to be released from my post as chairman of the Supreme Soviet of Mordovia...." However deputies brought up their previous demand that the chairman be relieved on grounds of no confidence. Both proposals were put to the vote. The majority voted for the former.

Elections for a new chairman of the Mordovian Supreme Soviet were held. Seven nominations were submitted; three candidates withdrew.

Incidentally, deputies had to make their way through a crowd outside the building to get to the session. People were standing there with placards. The most prevalent one perhaps read "Mordovia has no future outside Russia."

SOVETSKAYA ROSSIYA's Future Discussed

PM1910150590 Moscow SOVETSKAYA ROSSIYA in Russian 19 Oct 90 Second Edition p 1

[Interview with G. Zyuganov, member of the Politburo and secretary of the RSFSR Communist Party Central Committee, by Yu. Nikolayev; place and date not given: "More Courage and Honesty"]

[Text] [Nikolayev] Only a few days have passed since SOVETSKAYA ROSSIYA's registration, but all kind of conjectures and rumors are already circulating in certain circles, mainly among journalists. As a matter of fact, some perceive the registration as an apparatus "intrigue," an expression of its desire to "take in hand" Russia's only daily newspaper.... This is what prompted the editorial office to ask you, Gennadiy Andreyevich, to comment on the development of events and to tell readers how SOVETSKAYA ROSSIYA's present status was determined and how this actual decision was made during the ensuing argument between the publication's cofounders.

[Zyuganov] But why ask me all these questions?

[Nikolayev] After all, you were not just sitting in the wings; as far as I know you displayed great persistence in resolving the conflict....

[Zyuganov] Indeed a complex situation did develop, but I would not exaggerate the efforts made by any one of the sides involved in resolving the conflict. The decisive word was, of course, left for the readers. After the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet expressed its lack of confidence in the SOVETSKAYA ROSSIYA editorial collegium—which was actually totally groundless and unsubstantiated—the CPSU Central Committee; we, the Union's and the Russian Federation's legislative and executive organs; and the editorial office itself received a multitude of telegrams and letters defending the stance taken by the newspaper and its staffers. In view of this pressure by public opinion, any decision on the newspaper—apart from the one that was actually made—would in essence have been against the readers and their natural interests.

[Nikolayev] Nonetheless, it is obviously no accident that not only our colleagues but even readers telephone the editorial office and ask: How did all the interested parties actually arrive at agreement?

[Zyuganov] First of all, I must make everything absolutely clear here. The transfer of SOVETSKAYA ROSSIYA from the hands of three masters—the CPSU Central Committee and the RSFSR Supreme Soviet and Council of Ministers—into a single set of hands, the hands of Russian Communists, is in no way some sort of unilateral act. In my view all three sides displayed good will and a constructive approach, even though—why make a secret of it?—the talks progressed with difficulty. During September and October they were attended by the CPSU Central Committee leadership; V.A. Yugin, chairman of an RSFSR Supreme Soviet committee; I.S. Silayev, chairman of the RSFSR Council of Ministers; M.N. Poltoranin, RSFSR minister of press and mass media....

Of course this high-level representation was no accident. The new RSFSR Supreme Soviet and government feel the need to create their own mass media, and it was necessary to find a real opportunity to help them do this. Such opportunities gradually emerged and took shape

during the talks. Specific ways were mapped out for Russia's Supreme Soviet and government to create their own printing base, while many local party publishing house printing facilities will be involved in printing the Supreme Soviet's future newspaper.

And now about SOVETSKAYA ROSSIYA. I perceive its transformation into a party newspaper as a triumph of justice. After all, it was originally created for Russia's Communists. All through the past decades it has conducted an exacting partyminded analysis of society's life.

[Nikolayev] And how do you envisage our newspaper in the future?

[Zyuganov] Just like in the past—an honest, truthful, courageous newspaper. Even during the memorable stagnation years, SOVETSKAYA ROSSIYA had its own image and its own stance on key questions of social life, it struggled for the purity of party ranks and to ensure that Communists not only reflected the working people's aspirations but also aimed for their implementation. Now there is nothing to hinder the development of all these qualities. It is absolutely necessary to also acquire new ones. SOVETSKAYA ROSSIYA must become the real newspaper of the broadest party masses—the voice, support, and mainstay of each Russian Communist. I realize what a complex matter it is to publish such a newspaper, but on the other hand you are not starting from scratch. I am also convinced that you will enjoy most resolute support among primary party organizations. I would very much like to believe that they, the primary party organizations, will become the real cofounders and copublishers of the newspaper, if not formally then at least in essence!

[Nikolayev] But will you—I mean the RSFSR Communist Party Central Committee and its apparatus—not feel that your rights are being infringed?

[Zyuganov] No way! The old schemes of collaboration between party committee and press organ are obsolete and there can be no reversion to them. Yes, if we really look into it the party committee will find it much more advantageous if the newspaper reflects the entire multitude of views within the party ranks, the full spectrum of the broad Russian life. And it will be much more useful to us in this capacity. Of course, the newspaper will start fighting much more energetically for social justice and the improvement of Russians' lives.

[Nikolayev] Gennadiy Andreyevich! As I can see, you are much more optimistic about SOVETSKAYA ROSSIYA's future than we, its staffers.

[Zyuganov] How so?

[Nikolayev] If for no other reason because we were artificially excluded from the struggle for readers virtually from the very outset of the subscription campaign. The vast majority of letter writers demandingly asked about the newspaper's status and told us: This will determine whether they will subscribe for it or not.

[Zyuganov] But its status has been determined now....

[Nikolayev] And so much time was wasted....

[Zyuganov] I think that it would be perfectly logical to renew subscriptions for SOVETSKAYA ROSSIYA, bearing all the specific features of the present in mind. But the days remaining until the official conclusion of the subscriptions campaign must be utilized in the best possible fashion. We all must explain to all Russian Communists that they now have their own newspapers and it urgently needs their support.

Western Republics

Belorussian Supreme Soviet Appeals to Republics

LD2010012290 Moscow TASS International Service in Russian 1850 GMT 19 Oct 90

[Text] Minsk, 19 Oct (Belta-TASS)—An appeal to the supreme soviets of all the republics was adopted today by the parliament of Belorussia.

It says among other things that it is expedient to carry out economic reform and establish market relations within a framework of a single economic space, created by sovereign republics.

Marking a realistic assessment of the social economic situation that has developed in the Republic and the counry, the high degree of intergration and the loss of control of the national economy by the central departments and bodies of the USSR, the Belorussian Soviet Socialist Republic [SSR] Supreme Soviet proposed that the parliaments of the republics immediately set up an interparliamentary commission to discuss and agree the most important provision for forming market relations.

This document was adopted at the very end of the session's working day which had been almost entirely given over to a discussion of the draft law "On Local Self-Government and the Local Economy of the Belorussian SSR". Once again the alternative options that have been drawn up by the Republic's Council of Ministers and the deputies' opposition to the Belorussian People's Front were considered. However, even after lengthy and heated debates the opponents did not manage to win the majority over to their side. A conciliation commission was set up to work out a final solution.

Belorussian Communist Party Undergoes Restructuring

LD1910230590 Moscow TASS International Service in Russian 1204 GMT 19 Oct 90

[By TASS correspondent Tatyana Khryapina]

[Text] Brest, 19 Oct (TASS)—The rayon committees of the Communist Party of Belorussia have been abolished in this town of 200,000. Their employees have been reemployed, taking into account each ones desires, professional training, and experience. Kindergartens and

the services of stomatological and children's polyclinics have been housed in the buildings that have been freed.

"The abolition of the rayon committees in our town is just one item in the restructuring of party work, Anatoliy Lashkov, first secretary of the Brest Town Committee of the Communist Party of Belorussia told a TASS correspondent. With the adoption of the new charter of the CPSU, power is passing to the party masses and to the primary party organizations. They have been given the right to accept people into the CPSU, to examine personnel cases and to dispose of practically half the membership dues. The flow of new members into the party is falling significantly, and the amount of subscriptions is falling. For this reason the need for rayon committees has disappeared of its own accord. Now we have only the Town Party Committe left and it has 30 party workers, half the total before the reorganization. If before it was the Town Party Committee which dealt with all questions, from regulating the town economy and food supply to the organization of leisure, now our main aim is the political struggle for our influence in society."

Belorussian KGB Uncovers Weapons Smuggling

LD2010182390

[Editorial Report] Moscow Television Service in Russian at 1530 GMT on 1530 GMT on 20 October in its "Vremya" newscast carries a 3-minute report on a smuggling operation uncovered by the Brest KGB. The studio announcer says "An attempt to bring terror items into our country has been thwarted by State Security workers in Brest."

Correspondent A. Guretskiy's video report from Brest shows inspectors of the border service examining the underside of a train and underneath the hood of a car. He reports that three times more frontier violators have been found this year than last year. A dangerous number of hardened repeat offenders is being discovered, and the smuggled goods include more and more weapons. He speaks to V.G. Sledinskiy, head of the investigation section of the KGB directorate of Brest Oblast.

Guretskiy says: "In spite of such a successful operation, you secret police are accused of inefficiency in the fight against organized crime."

Sledinskiy responds: "The fact is that, unfortunately, our imperfect legislation does not allow us to act with all our force and means. There is a paradoxical situation: with all these things we have confiscated, unfortunately the courts cannot give the necessary legal evaluation of them. Legislation cannot keep up with events, and unfortunately those who were detained with these do not suffer the punishment they should have."

Guretskiy reports: "The main task of our border troops is not the fight against contraband. Acting together with customs officials, they hold only items being brought in secretly and hidden in the means of transport. For example, Sergeant Savchuk found cunningly hidden packets in the Moscow-Warsaw train containing 1,332 gold items worth 250,000 rubles.

"And these wares, if I may call them such—hundreds of weapons, ammunition, and aerosols of paralyzing gas—were confiscated in the same way, during an attempt to bring them in. The destructive force of this explosive, which looks like household soap, is twice as great as TNT. And if one considers that this contraband is difficult to detect by X ray, then we can consider that in this instance we have been protected."

Tiraspol Collectives Call for 7 Nov Celebrations

PM2210114590 Moscow PRAVDA in Russian 22 Oct 90 Second Edition p 2

[TASS report: "They Will Go to the Demonstration"]

[Text] Kishinev, 21 Oct—The appeal from the leaders of the Moscow and Leningrad soviets to abandon the celebration of the October anniversary has failed to meet with support in the labor collectives of Moldova's [Moldavia's] left bank. Any attempts to deprive the Soviet people of their holiday are illegal, says the resolution of the Tiraspol Soviet of People's Deputies Presidium, for instance.

Its decision has been supported by the CPSU City Committee, which has adopted an appeal to the Communists and all working people of Tiraspol. Today it is published in abridged form in the newspaper SOVETSKAYA MOLDOVA.

Moldavian Political Groups Appeal for Unity

LD2010133190 Moscow TASS in English 1311 GMT 20 Oct 90

[By TASS correspondent Fedor Angeli]

[Text] Kishinev October 20 TASS—"Moldavia can achieve its rapid development only by pooling all democratic forces, irrespective of their political orientation or nationality," stresses an appeal by several Moldavian public organisations to all Moldavians.

The appeal was published by the MOLDOVA SUVERANE newspaper today. The organizations include the Moldavian People's Front, the Unions of Writers and Journalists, the League of Doctors, as well as some industrial and agricultural enterprises.

"Moldavia is living through trials and tribulations these difficult days. It faces a dilemma: Will it develop as a free, integral and sovereign state or will it disintegrate into small principalities and disappear from the map of the world and be erased from mankind's memory."

The appeal claims that the republic's integrity may be preserved if separatism is quashed.

The formation of the Gagauz and Dnester republics, as well as the elections to their legislative bodies (the elections to the Supreme Soviet of the Gagauz republic

are scheduled for October 28) are described by the document as a "political provocation".

The appeal says that this "provocation may bring Moldavia to the brink of civil war". The appeal calls for setting up "voluntary detachments at the places of residence and at workplaces" to protect "Moldavia's integrity and sovereignty".

Moldavia Warns of Possible Election 'Provocations'

LD1910185490 Moscow World Service in Russian 1040 GMT 19 Oct 90

[Text] One of the leaders of the Dnestr area, Vladimir (Ralikov), has declared that the leadership of the Republic of Moldova [Moldavia] and the People's Front of Moldova are now exerting every effort with the aim of disrupting the coming elections to the supreme organ of power of the Dnestr and Gagauz Republics. They are set for 25 November and 28 October, respectively.

In the words of (Ralikov), who gave an interview to the INTERFAX agency, threats are being made to the leaders of the Dnestr and Gagauz republics. According to information we have, there may be provocations on the days of the elections, said (Ralikov). Worker volunteer militias will be formed to prevent them. We are forced to embark on the creation of our own bodies to ensure the protection of civil rights and liberties of the populations of our republics. In the future we intend to form units of municipal militia.

Moldavian Communists Submit Legislation on Parties

LD2010035490 Moscow TASS International Service in Russian 1443 GMT 19 Oct 90

[Text] Kishinev, 19 Oct (TASS)—The republican party organs of the press today published a draft law on the Moldovan [Moldavia] Soviet Socialist Republic [SSR] "On Parties and Social-Political Organizations" prepared by the organizational commission of the Central Committee of the Moldovan Communist Party. It was put forward as a legislative initiative for consideration in the republic's Supreme Soviet. The bureau of the Central Committee of the Moldovan Communist Party recommended that Communist deputies actively aid supplementary work on and adoption of this law.

In the draft law it is stated in particular that the structures of a party and of social-political organizations may not be created within the law enforcement bodies. In their work their leaders are not connected with the decisions of parties but are governed by the demands of the law. The combination of the posts of leaders of bodies of state power with paid positions within parties is not permitted.

Membership in a political party by a citizen of the Moldovan SSR, it is noted in the draft law, cannot serve as grounds for a restriction of his rights or as a reason to refuse him employment in state or other organizations. The property of parties is inviolable and is protected in accordance with the valid legislation.

Paries and social-political organizations have the right to maintain links and to conclude agreements with parties from other states and with international organizations. Not permitted is the creation and functioning on the territory of Moldova of parties and social-political organizations from foreign states, and also of organizational structures and social associations by citizens of the Moldovan SSR which act outside the boundaries of the Republic.

Ukraine's Kravchuk Meets Greek Legislators

LD2010104990 Kiev International Service in English 0001 GMT 20 Oct 90

[Text] A parliamentary delegation of the Greek Republic was received today at the Supreme Soviet of the Ukraine.

Opening the meeting, the chairman of the Supreme Soviet of the Ukraine, Leonid Kravchuk, said that the republic is living through a new stage. The essence of it lies in the fact that, having adopted a declaration on its sovereignty, the Ukraine has set on a course of political and economic independence, a course aimed at entering the international scene as a state which intends to occupy a proper place in the construction of a common European home and in world structures.

Chairman of the Greek Parliament, Athanasios Tsaldaris, said the following in an interview for Radio Kiev:

[Begin Tsaldaris recording in Greek, fading to English translation] The changes taking place in the Soviet Union evoke broad international response since their significance goes far beyond the borders of one country. They are of great significance for the entire world community. [end recording]

The guest displayed interest in the peculiarities of economic transformations in the republic, division of functions between the republic and the center. The biggest interest was evoked by a reply to the question whether the sovereignty of the republic means that it will pursue an independent foreign policy.

After the meeting, Radio Kiev correspondent asked the chairman of the Ukraine's Supreme Soviet, Leonid Kravchuk, to give an evaluation of the meetings with foreign parliamentarians for explaining the international aspects of the republic's sovereignty:

[Begin Kravchuk recording in Russian, fading into English translation] We must declare now, before the entire world, our intentions, our position, our policies. We would like the peole who come here to learn everything from the primary source. Not all the people understand us today; this is natural because the stereotypes of (?hating) are powerful [word indistinct] the Soviet Union and all of a sudden each of the republics declares that it

wants to enter the world scene independently, both in political and economic aspect.

The people are anxious, and this should also be taken into consideration. The possibility of contacts is being broadened.

Won't it lead to misunderstanding? Won't it make the situation even more complicated? What I clearly said today is that we are going to work in the (?groove) of principles of peace and disarmament which are being pursued by Mikhail Gorbachev because his foreign policy is no doubt a correct one. We would like to say that nobody should be afraid of us.

Nowadays there are many people coming here to find out what's going on and what are our plans. It is well seen from the questions that there is some concern and alarm among the people. We should calm them down.

We must say that we have good intentions which are nuclear-free in the perspective and humanistic, in general, and let them accept us as a partner, as people who would like to go their own way and have their own policies.

We adopted a declaration; we are members of the United Nations, and we want to be accepted as an independent state. But we understand that this cannot be done at once.

We realize that we must go through certain stages, estimate the present situation, and not to destroy what we already have. [end recording]

Poland Recognizes Ukrainian Sovereignty

PM1910101490 Moscow IZVESTIYA in Russian 17 Oct 90 Union Edition p 1

[Report from "TASS, REUTER, UPI" column: "Poland Recognizes Ukrainian Sovereignty"]

[Text] A Polish Foreign Ministry spokesman said in Warsaw that Poland recognizes Ukrainian sovereignty and has established interstate relations with the republic. At the same time, he pointed out that Poland does not recognize the Ukraine as an independent state and does not intend to establish diplomatic relations with it.

Yalta Suspends Decision on Crimean Tatars

LD1910182690 Moscow World Service in Russian 1040 GMT 19 Oct 90

[From the "Soviet Chronicle" feature of the "Soviet Union Day by Day program]

[Text] The City Soviet of Yalta has suspended its decision adopted a few days ago on allocating 150 plots of land to build housing for Crimean Tatars who had returned to their historic homeland after deportation. According to a decision on this matter, the Crimean Tartars will not be allocated the land until the last one leaves the tobacco fields of the Livadia State farm, on which they have started to build housing without permission. The INTERFAX agency notes that this seizure was the cause a few days ago of a conflict between Crimean Tartars and local residents which almost led to bloodshed.

The City Soviet of Yalta also decided to send a letter to the USSR president, and to the Supreme Soviets of the USSR and the Ukraine on the exacerbation of the situation in the city of Yalta and the need to take urgent legislative measures to stabilize it.

Lvov 'Rukh' Organization Calls for Draft Boycott

PM2210102890 Moscow KRASNAYA ZVEZDA in Russian 21 Oct 90 First Edition p 1

[Report by Colonel V. Bogdanovskiy from Lvov under the "Direct Line" rubric: "So Much for 'Apparatus' Games"]

[Text] Galichskiy party raykom [rayon committee], which is in Ivano-Frankovsk Oblast, has appealed to all its opponents in the rayon as follows: Enough of mutual political wrangling and accusations. Let us unite in common labor in the kolkhoz fields, in common concern for the harvest that the farmers have grown. Setting an example, the party raykom workers, headed by First Secretary Yu. Krakhovetskiy, went out into the vegetable plantations and spent three days working on the harvest. Sadly, the members of other politicized associations remained deaf to the Communists' appeal. To all appearances, they are currently concerned with quite different problems.

I have in my hands a resolution of the Lvov Regional Rukh [Ukrainian People's Movement for Perestroyka] Council Presidium. What does it say? With no justification or weighty arguments, the resolution asserts that "the Ukrainian Communist Party, as an agent of the CPSU, is neglecting the interests of the Ukrainian people." That being so, the regional council resolves to declare full mobilization of forces to prepare for a Ukraine-wide strike.

Nor does the Rukh document omit to mention the militia and Soviet Army servicemen. The resolution unequivocally demands that people "refuse to obey the orders of the sinister clique of the 'godless' ['bezbatchenkiv'] who are instruments in the hands of imperial forces and communist reaction...."

A few days earlier, the Rukh regional council appealed to the young men of Lvov Oblast to boycott the fall draft, and simultaneously recommended that the Lvov City Soviet of People's Deputies examine the question of banning the holding of the parade of Lvov Garrison troops on 7 November 1990.

Ukrainian Journalists Establish Independent Union

LD2210092790 Moscow Domestic Service in Russian 0700 GMT 22 Oct 90

[Text] An independent republican journalists union was founded at the seventh congress of Ukrainian journalists.

The new creative organization says that the main principles underlying its work will be tolerance and respect for different philosophies, guaranteed freedom of expression and conscience for members of the union, and the priority of values common to all mankind. The independent union will defend the professional and social rights of journalists.

Incidentally, in a decision issued the previous day, the government of the republic granted every member of this creative union the right to additional floorspace, 10 square meters over and above the existing entitlements.

Ukrainian Newspaper To Cover Government Actions

LD2210105790 Kiev Domestic Service in Ukrainian 2015 GMT 21 Oct 90

[Summary] The first edition of a new paper called URYADOVYY KURYER will soon be available at all newsstands.

Chief Editor Mykhaylo Soroka says the paper will exclusively cover all practical steps of the Ukrainian Government toward realizing the declaration on state sovereignty. It will also report all dismissals and new appointments in the government, provide their profiles, and present interviews with them and descriptions of their private hobbies.

Coverage will also be provided of the work and developments in lower tiers of the government administration, mainly in oblast and town soviets.

Caucasus

Gorbachev Orders NKAO To Release Deputies

NC2010140590 Yerevan Domestic Service in Armenian 0600 GMT 20 Oct 90

[From the review of HAYASTANI HANRAPETUTYUN]

[Text] On its front page HAYASTANI HANRAPETUTYUN published a report from the Kremlin by Balagozyan, the ARMENPRES parliamentary correspondent.

The reports says: At noon yesterday, the USSR People's Deputy Colonel Vilen Martirosyan (?placed) a parliamentary question to the president of the USSR concerning the illegal detention of the Armenian Republic's People's Deputies Roles Agadzhanyan and Hamlet Grigoryan by the military authorities in Nagorno-Karabakh Autonomous Oblast.

According to the people's deputy, upon familiarizing himself with the facts, Mikhail Gorbachev ordered the [deputies'] immediate release.

According to Col. Martirosyan [words indistinct], the president of the USSR was well aware of the circumstances concerning the detention of the Armenian parliament deputies.

The people's deputies had a meeting in Stepanakert with the military commandant Major General Safonov. Asked his impressions of the commandant, Col. Martirosyan said that he will refrain from making a public (?assessment) of Safonov.

Armenia Decides Draftees Should Serve Republic

NC2010110290 Yerevan ARMENPRES International Service in Armenian 1215 GMT 19 Oct 90

[Excerpt] Yerevan, 19 Oct (ARMENPRES)—[passage omitted] During the 17 October session of the [Armenian] legislature, V. Manukyan, chairman of the Armenian Council of Ministers, nominated M. Nazaretyan, candidate of medical sciences and the director of the hematology and blood transfusion research institute, for the post of the Republic's minister of health. A debate was held on his candidacy, and the ensuing vote produced no positive result. The relevant standing commissions were instructed to review the problems connected with the candidate and resubmit their findings at the session.

Next, two bills were presented to the parliament: One concerned Armenian servicemen who are citizens of the Armenian Republic and of other Soviet republics, and were forced to abandon their Soviet Army units deployed outside Armenian territory. The other concerned the 1990 conscription of citizens of the Armenian Republic.

The Supreme Soviet decided to instruct the Armenian Council of Ministers and the military commissariat to finish enlisting the Armenian servicemen who were forced to abandon their Army units in Army units deployed on Armenian territory within two months.

The Supreme Soviet also decided that the actual military service of the Armenian citizens eligible for conscription in 1990 should be done in Army units deployed on Armenian territory.

During the 17 October evening session, the people's deputies also raised issues outside the agenda. Specifically, they debated the need to enhance the search for those who were lost without a trace during the earthquake. They also discussed the renaming of several towns and other issues.

With that the Supreme Soviet's full-scale sessions ended for this week. The legislature will continue its work in the standing commissions until Monday.

Armenia To Ration Certain Food Products 1 Nov

NC2010114090 Yerevan ARMENPRES International Service
in Armenian 1215 GMT 19 Oct 90

[Text] The Armenian Government has decided to introduce a new system in the retail sale of certain foodstuffs to stabilize the exceedingly tense situation in the republic's consumer market, to overcome the disruptions in providing foodstuffs to the population, to regulate the distribution of a number of important foodstuffs, and to ensure principles of social justice in their distribution.

Starting with 1 November, groat products, cheese and tobacco will be sold with coupons acquired for previously placed orders.

Sugar, butter, and occasionally meat and coffee have been sold with such coupons for the past few years.

The population is receiving this imperative yet undesirable measure with understanding. In particular, the measure will improve the lives of less protected, large families, the elderly, and the disabled. Let us hope for good times.

Armenia, Latvia Sign Cooperation Agreement

NC2010133990 Yerevan ARMENPRES International Service
in Armenian 1215 GMT 19 Oct 90

[Text] Yerevan, 19 Oct (ARMENPRES)—The governments of the Republics of Armenia and Latvia have signed an economic and cultural cooperation agreement for the period 1991-95.

The document was signed by V. Manukyan, chairman of the Armenian Council of Ministers, and I. Bishers, deputy chairman of the Latvian Council of Ministers.

The agreement springs from the sovereignty of the republics and from their traditional economic and cultural ties. It is based on long-term, stable grounds, and on the two sides' interest in developing mutually advantageous and equitable cooperation.

The sides have agreed in princple to maintain the mutual supply of goods for 1991 at a level not lower than in 1990 and to take measures to increase the volume of supplies at commensurate prices.

It was agreed to discuss and confirm at a set time each year the volume and structure of the intergovernmental supplies by taking their future prospects into account.

The sides agreed to set up representation offices in Yerevan and Riga and to create a joint working commission for drafting the terms of economic and cultural cooperation.

The agreement went into force from the moment of signing and will remain in force until 1 January 1996. At one side's request, the agreement could be terminated at the beginning of a calender year provided that a statement to this effect is issued at least six months prior to the termination of the agreement.

Armenian Komsomol Ends Operations in Armenia

NC2210093890 Yerevan International Service
in Armenian 1630 GMT 21 Oct 90

[From the republican press review]

[Text] The Armenian Komsomol [Leninist Communist Youth League] is currently holding its 31st congress in Yerevan.

The press reports that at the request of the overwhelming majority of the delegates the all-Union Komsomol flag was removed from the podium and under the tumultuous applause of those present the tricolor, the state flag of the Armenian republic was brought in. With this, the Armenian Komsomol ended its operations in the republic as of 21 October 1990.

In addition to rejecting the name [not further explained], the possibility of being subjugated to any political power was also rejected. The national state and youth interests were considered as starting points for the future activities of the youth of Armenia.

Yerevan Commander Surkov Transferred to Moscow

NC2010135790 Yerevan International Service
in Armenian 1630 GMT 19 Oct 90

[From the republican press review]

[Text] The Russian-language weekly (?EPOCH) has published a sympathetic article on 44-year-old General Mikhail Surkov, who served as the the chief of the political department of the Soviet troops in Armenia.

For the last three tense years, the Armenian people had many opportunities to appreciate Gen. Surkov's lofty human values. He was always present at the hottest spots, [word indistinct] regions, and at military operations, and contributed invaluable services in stabilizating the situation by acting as a mediator between the people and the former regime.

He gained the love of the Armenian people by his warm (?attitude) towards our national liberation struggle. On many occasions he prevented clashes between the Army and the people. Hence it is no wonder that Moscow hastened the removal of the young general from Armenia. Recently, Gen. Mikhail Surkov was transferred to Moscow upon receiving a promotion.

Armenian Unions Send Delegates to New Federation

NC2210095090 Yerevan International Service in Armenian 1900 GMT 20 Oct 90

[Text] The Armenian Trade Unions Council held its regular plenum and elected delegates from candidates to the 19th congress of the All-Union Trade Unions Council.

Instead of the present central trade unions council, a free and independent trade union federation is being set up in which all the republics will have equal representation.

The plenum elected Armenia's representatives in the federation.

The plenum also condemned the illegal decision of the Azerbaijani trade union council to dissolve the oblast trade union council of Nagorno-Karabakh Autonomous Oblast, and the cut of the gas supply as part of economic blockade of Armenia.

The plenum endorsed (?the proposal) concerning the legal guarantees for the socioeconomic protection of the population under conditions of transition to a market economy.

Court Bans 'Stalin' Group From Georgian Election

LD1910212490 Moscow TASS in English 1949 GMT 19 Oct 90

[By TASS correspondent Eduard Ediberidze]

[Text] Tbilisi October 19 TASS—The Georgian political organisation "Stalin" has been denied the right to participate in the multi-party parliamentary elections in this transcaucasian republic fixed for October 28. The Central Election Commission today received the decision of the Georgian Supreme Court which granted the protest of the Georgian procurator's office against the participation of this organisation in the elections.

At the very beginning of canvassing, the Central Election Commission barred several organisations from registration, stating that their charter, programme or activity are not in keeping with the law on election.

But using the right offered by law, some of these parties and organisations appealed to the Georgian Supreme Court and were granted permission to participate in the elections. This caused objections of the public. Four weeks ago the Georgian procurator's office made a protest against the participation in the election of four out of the six parties and public organisations which were granted this right by the supreme court. "Stalin" was among these four parties. Until recently everything remained unchanged. Meanwhile public indignation mounted assuming various forms, including a fast by a group of students and teachers of Tbilisi State University. It was supported in other higher educational establishments in Tbilisi.

Now justice triumphed. Twelve parties and election blocs will continue the competition for seats in the Georgian parliament.

Independence Activists Occupy Georgian Institute

PM2210092090 Moscow KRASNAYA ZVEZDA in Russian 21 Oct 90 First Edition p 1

[Report by Colonel V. Kaushanskiy from Georgia under the "Direct Line" rubric: "'Guests' at the Officers' Institute"]

[Text] In the morning of 19 October more than 30 aggressively inclined representatives of the regional branch of the National Independence Party of Georgia burst into the building of the garrison Officers' Institute and declared that they had occupied it, demanding the withdrawal of "Soviet occupying forces" from the republic's territory. The talks with the "guests" which Major V. Skripnikov, chief of the Officers' Institute, held led nowhere. The provocative action was immediately reported to the city leadership, the law-enforcement organs, the KGB, and the local newspaper. But no measures ensued.

At 0300 on 20 October a group of servicemen arrived at the Officers' Institute and cleared the premises. There were no casualties or wounded. But the most surprising thing came later. At dawn, the first secretary of the city party committee, T. Shashiashvili, who is also mayor of the city, arrived at the scene of events in a rage. He accused the military of unlawful actions and declared that he cannot be held responsible for the consequences. With this extremely strange statement the party worker in effect gave his blessing to the illegal raid.